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THURSDAY, NOVEMBER 28, 1935

NORWICH UNION

NORWICH UNION
policies and service
have world-wide
reputation

NORWICH UNION **FIRE INSURANCE SOCIETY, LTD.**

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Eagle Fire Company **of NEW YORK**

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Hart Darlington, President

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In NORWICH UNION there is strength

COMPANIES

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

Thirty-Ninth Year—No. 48

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 28, 1935

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East Studies New Forms in Midwest

Much Interest in Supplemental Contract and Merchandise Fixture Proposition

SOME CRITICISM MADE

Easterners Object to Plan of Making All Items Except Windstorm Pay Sacrifice

By J. C. O'CONNOR
Editor Fire, Casualty & Surety Bulletins

Publicly or privately, almost everyone connected with fire insurance in eastern states is giving a lot of attention to the two new forms inaugurated in middle western territory, the supplemental contract for business risks and the merchandise and fixture form. Reaction to the former is generally favorable, to the latter, mixed.

Eastern interest in the supplemental contract, which most executives and producers would like to see adopted in that territory, has naturally been heightened by the fact that one of the first authoritative appeals for more comprehensive fire policies came from J. J. Magrath, rating examiner of the New York insurance department, in a much publicized speech.

Eastern Form Restricted

Rightly or wrongly, the feeling persists that the Western Actuarial Bureau would not have extended the supplemental contract to business risks without this prodding. A supplemental contract, substantially similar to the western form, is in vogue in most eastern jurisdictions, but is restricted to residences and a few other classes and little business of this type is now on the books. The extension of this form to business risks is such a logical step against marine competition that it is felt that the east can hardly wait much longer to follow the example of the middle west, particularly when moves of this type have been given such strong official sanction.

Criticism against the western form of supplemental contract centers around the rules for dividing coverage and the rate scheme. Few eastern executives have a good word for the system of dividing coverage into three groups—windstorm and hail in one, explosion, aircraft, self-propelled vehicles and riot in the second, and smoke damage in the third—and permitting the units to be purchased separately. The supplemental contract, they maintain, is intended as an instrument of comprehensive cover and should be sold as such, not piece meal. The recent action of Wisconsin in abolishing this grouping and requiring the supplemental contract to be sold as a unit or not at all, is universally praised in the east and predictions are

(CONTINUED ON PAGE 25)

Firemen's Is Reinsuring the Iowa National Fire

TO DISCONTINUE OPERATIONS

About \$250,000 Involved—Vice-president Berry and Three Field Men Join Newark Company

The Iowa National Fire of Des Moines has decided to discontinue operations and has reinsured all of its business in the Firemen's of Newark. The gross premiums of the Iowa National Fire are estimated at about \$250,000, all of which will probably be net to the Firemen's, because of its capacity. The reinsurance will be effective at midnight Nov. 30. The transaction has been approved by the Iowa department.

Announcement is made that the Iowa National Fire is not to be liquidated, but its future plans are not announced.

Field Men Taken Over

H. A. Clark of Chicago, vice-president and western manager of the Firemen's, announces that a number of the employees of the Iowa National will be taken over, including Vice-president J. D. Berry and three Iowa field men of the company; Frank Bagwell of Waterloo; J. S. Chamberlin, Atlantic, and G. S. Avery of Storm Lake. Practically all of the business of the Iowa National Fire comes from Iowa and it has about 500 agents in that state.

As of Dec. 31, 1934, the assets were \$886,290, premium reserve \$182,562, capital \$200,000, net surplus \$436,809, net premiums written \$156,094, losses paid \$53,889, expenses paid \$107,988.

The receiver of the Fire Insurance Company of Chicago held title to 15,746 shares of Iowa National Fire stock. This was purchased some time ago by Frank Harvey of Kansas City, a director of the Employers Reinsurance, for \$110,222, being at the rate of \$7 per share.

Has Life Company Stock

The Iowa National Fire owns some 2,000 shares of Agricultural Life of Detroit. That, undoubtedly, remains among its assets after the reinsurance. Whoever would be interested in the Iowa National because of its holdings in Agricultural Life would also naturally be interested in the remaining assets of the Fire Insurance Company of Chicago which consist of stock of the Agricultural Life and Federal Reserve Life of Kansas City, Kan.

P. F. McKown Goes to Home Office of St. Paul F. & M.

ST. PAUL, Nov. 27.—The St. Paul Fire & Marine today announced that Paul F. McKown, state agent for Milwaukee, Racine and Kenosha counties, Wisconsin, has been transferred to the home office in charge of production department, effective Jan. 1. He will be succeeded in Milwaukee by D. W. Swanson, state agent in northeastern Wisconsin, who will be assisted in the field by L. M. Overman, who has had 10 years training in the marine department at the home office.

Security for Public Is Main Theme of the Commissioners

WESTERN SUPERVISORS MEET

Holmes of Montana Reelected Chairman, Bakes of Idaho Secretary at Phoenix Session

PHOENIX, ARIZ., Sept. 27.—The Western Insurance Commissioners Conference, consisting of supervising officials of Washington, Oregon, California, Idaho, Nevada, Arizona, Montana, Wyoming, Colorado and New Mexico, closed its two day conference at Phoenix Nov. 26.

The Utah commissioner was unable to attend.

The main purpose of the conference was to provide opportunity for the commissioners of neighboring states, many appointed in the past year, to become better acquainted and because of the fact that many of the western commissioners will be unable to attend the mid-winter meeting of the National Convention of Insurance Commissioners in New York Dec. 3. Therefore the conference gave an opportunity to those commissioners to express their views on matters of vital importance with reference to their respective states.

Security Topic Dominates

The session was marked by expressed attitude of the commissioners toward a means of providing unquestioned security for policyholders within their respective jurisdictions. With the exception of the opening meeting the conference was confined to executive sessions.

After the customary welcome the conference was opened by the reading of a fine paper by the chairman, Commissioner Holmes of Montana, touching on several phases of the insurance business.

The conference went on record favoring the convention examination system of the Commissioners Convention through the examination committee, with particular reference to geographical distribution of the states participating, endorsing the action of southern commissioners at their Memphis meeting.

Governor and Mayor Talk

Governor Moer and Mayor Jenckes of Phoenix addressed the opening session. The host, Commissioner Brown of Arizona, was commended by resolution for arrangements, as were members of the Arizona corporation commission C. R. Howe, chairman; Wm. M. Cox and W. T. Wright, other civic bodies and domestic insurance companies.

Commissioner Holmes of Montana was unanimously re-elected chairman of the western conference and Commissioner Bakes, Idaho, secretary. The next meeting was set for sometime prior to the 1936 mid-winter annual meeting of the National Convention of Insurance Commissioners.

New Agricultural Director

R. G. Horr, district agent of the Penn Mutual Life, has been elected a director of the Agricultural and Empire State, taking the place left vacant by the resignation of F. L. Carlisle.

Can't Stand Cost Increase Today

Predict 50 Percent 1935 Expense Ratio—Contingent Commissions Held Impossible

BUT QUESTION STUDIED

Recall Analysis of the Contingent Idea in 1916 by the Late H. A. Smith

NEW YORK, Nov. 27.—The present, widespread demand of agents in ordinary territory for contingent commissions finds its inspiration, doubtless, in knowledge of the favorable loss ratios in the past few years and the anticipation that most, if not all of the carriers, will show gains both in assets and net surplus accounts when final results for 1935 are disclosed. Furthermore, unless there is a slump before Dec. 31, assets and surplus will have been handsomely increased because of the appreciation of market values in the last six months.

While conceding the clear right of agents to secure all they can in exchange for their services, executives believe the business cannot stand any increase in acquisition cost. Last year the average expense ratio was 48 percent. When returns for 1935 are available it is figured the ratio will be 50 percent, and possibly slightly higher.

Income Is Affected

Substantial rate reductions in many territories and upon numerous classes, plus increasingly keen competition from non-stock institutions, has cut into the premium income of the orthodox companies, and new business offerings are scarce. On the other hand, federal, state and municipal taxes are being levied or proposed constantly. In the light of these conditions, executives are studying with the greatest care the contingent commission question, wondering wherein and to what extent it could fit into the general cost problem. The suggestion advanced by a southern agency force recently, that instead of the present flat 20 percent, they be allowed 15 flat plus 20 percent contingent, although favorably regarded by some managers, is objected to by others, who hold it would result in increased acquisition cost.

The proposition recommended by a Pennsylvania group that contingents be figured upon the record of the agency as a whole instead of as to any particular company, is held to be impractical, for one reason because of the extent and intricacies of accounting that would have to be employed to keep the records.

Perhaps the most exhaustive analysis ever made of the contingent commission question was that conducted by the late H. A. Smith, president of the Na-

(CONTINUED ON LAST PAGE)

Banker Finds Public Now Auto Finance Conscious

URGES AGENTS TO CAMPAIGN

Detroit Association Considers Advertising Plan, Other Steps to Gain Control of Insurance

Michigan automobile owners are fully finance conscious, with several insurance and financing organizations engaged in intensive advertising campaigns to interest car owners in improved finance service that allows them to place their automobile insurance with the agents, E. S. Carrick, manager automobile financing department, Industrial Morris Plan Bank, told the Detroit Association of Insurance Agents at the November meeting.

Banks engaged in financing car purchases are aiding agents to regain their business. Strides made by insurance affiliates of the auto manufacturers were stressed by reference to the General Exchange, which writes most of the new and used car insurance for General Motors dealers. This company is advertising directly to the public. More than \$400,000,000 was spent by American motorists in automobile insurance premiums last year and the figure will be considerably higher in 1935, he said.

Urges Aggressive Drive

If agents don't push automobile insurance, he said, it will react unfavorably on their other lines. Clients will lose respect for agents if they don't go after the business more aggressively. Agents should contact auto owners before they buy new cars, and make sure the clients insist the insurance be placed through agents rather than through a company that the manufacturer is interested in or one which pays the dealer a commission to swing the insurance business.

Reciprocals have recognized the danger of controlled company competition, he said. He quoted an ad of the Detroit Automobile Inter-insurance Exchange which declared the auto owner should insist on placing his own insurance.

Casualty Line Endangered

The General Exchange is writing a limited collision coverage as well as fire and theft, and it is only a step from fire and theft to property damage and public liability he said. He predicted if agents do not awaken to the danger, the controlled companies soon will be writing a large share of the casualty lines as well as fire and theft. It is not practicable to work through dealers, he said, since many people shop around before buying cars because some dealers will allow a higher turn-in figure. He suggested a cooperative advertising campaign to reach car owners with the thought they should place their auto coverage with agents. The proposal was referred to the automobile committee, headed by Dave Broderick.

Committees Report

H. T. Stock, chairman inspection bureau committee, reported on reduction in church, school and public building basis rates and described reporting forms in detail. Irwin Amberg, audit bureau committee, reported developments in this field. M. F. McCaffery, casualty committee, reported expected loss to stock casualty companies writing compensation because of the factor of dividends by mutuals, when both classes are working under the same rates, has not materialized. He suggested asking A. S. Cowlin, manager Michigan Compensation Rating Bureau, to address a later meeting on experience rating of compensation risks.

George Brown, executive secretary Michigan Association of Insurance Agents, outlined the protest of that body against placing all state properties in the state fire fund. This matter was

Loss Record for November Will Be Scanned Closely

Executives are much interested in whether there has been a real turn in the burning record. The National Board estimate of losses for September of this year was slightly higher than for the same month a year ago and this was followed by the estimate for October which was sharply in excess of the same month a year ago. The November results are being awaited eagerly to determine whether there is to be a third successive month showing an increase. If so that will mean that for a whole quarter, at any rate, there has been a higher burning record. Since the time that the continued decline in losses set in, there has never been more than one month at a time to show an increase in losses over the same period a year ago. Never before have there been two months in succession.

Loss departments in the middle west report that the November record has dropped far down again and indications are that the losses for the current month will be less than for the same month a year ago. There was a spurt in losses in October in that section of the country, but it has not held through this month.

Seek Annual Meeting of the State Commissioners

Two commissioners at the New York meeting of the Insurance Commissioners Convention will extend invitations for the annual meeting to be held in their states next year. Commissioner Yetka of Minnesota who left St. Paul this week and spent a few days in Chicago enroute to New York carried with him an invitation for the annual meeting to be held in the Twin Cities. Commissioner Ketcham of Michigan is authorized to invite the convention to hold its next annual meeting at Grand Rapids. There may be others that will appear with invitations as the meeting develops.

referred to J. A. Grow, past president Detroit Board, who collaborated with P. J. Braun of Flint in preparing the state association resolution, to draft a similar resolution for the Detroit association.

Plessner on Trip

Vice-president Theodore Plessner of the Northern of New York, is on an agency trip through the south.

Of the 36 applying for agency certificates in New York state during the past two weeks, 14 succeeded in passing the required examination, and unless character criticism is offered, they will be licensed.

Insurance Ad Conference Program at New York Given

HAVE THREE MAJOR TOPICS

To Consider Direct Mail, Functions of Advertising Department, Insurance Trade Press

Several outstanding authorities in the insurance advertising and general publication fields are on the program for the Insurance Advertising Conference annual winter meeting Dec. 3 at the Waldorf Astoria hotel, New York City. Details of the program are announced by D. C. Gibson, director of advertising and publications Maryland Casualty, who is chairman of the committee in charge. Representatives of life, fire and casualty companies throughout the United States and Canada will attend, acceptances indicating the largest session in the organization's history according to A. H. Reddall, Equitable Life of New York, secretary of the I. A. C. C. A. Palmer, Insurance Company of North America, Philadelphia, president of the I. A. C., will preside. The program is:

Details of Program

9:30 a. m.—Forum on Direct Mail Advertising, introduced by P. J. Kelly, executive vice-president Harry Latz Service, and former advertising director of the B. F. Goodrich Company.

11:45 a. m.—"What Constitutes the Advertising Department of an Insurance Company, Its Functions, Scope of Activities and Classification of Breakdown of Advertising Expenditures," J. M. Holcombe, Jr., manager, and Kenneth Miller, Life Insurance Sales Research Bureau, Hartford, with a general discussion of methods employed by various conference companies.

1 p. m.—Luncheon, address by C. L. Landon, vice-president J. M. Mathes, Inc., in charge of marketing, on "New Channels for Insurance Advertising."

3 p. m.—"The Insurance Press," a discussion of various aspects of the relationship of the conference to trade journals.

John R. Santo Dies at 70

John R. Santo of Traverse City, Mich., formerly a prominent local agent in northern Michigan when the lumber industry was booming, died at a hospital in his city at the age of 70. He was born in London, Ont., and went to Traverse City in 1894. He was the mayor of Traverse City from 1903-4.

Thomas A. Caddy Is Dead

Thomas A. Caddy, former insurance man who at one time served as vice-president of the Southern States, died at his home in Lake City, S. C., at the age of 53.

Firemen's of Newark Holds 80th Anniversary Luncheons

THREE CITIES TO CELEBRATE

President Cooney to Preside at Newark Reception for 300—Clark Gives Luncheon

The 80th anniversary of the Firemen's of Newark falls on Tuesday, Dec. 3, and the occasion is to be celebrated by functions in the home office city of Newark, in the western department city of Chicago and in the Pacific Coast department city of San Francisco.

An informal luncheon and reception will be held at the home office in Newark. In addition to the official staff and directors of various companies in the group, about 300 guests are expected. President J. R. Cooney will preside.

In Chicago, Vice-president and Western Manager H. A. Clark is giving a luncheon at the Union League Club for about 150 guests, including W. E. Wollaefer, president, and R. E. Brandenburg, secretary of the Concordia in Milwaukee. A number of agents from Milwaukee will attend and representatives of the Firemen's companies in Chicago.

In celebration of the 80th anniversary of the Firemen's of Newark, a dance will be held in San Francisco, Dec. 3. Employees, agents, brokers and officials will participate.

Competition, Supplemental Form Up at S. E. U. A. Meet

NEW YORK, Nov. 27.—Southern executives home from the semi-annual meeting of the Southeastern Underwriters Association at Pinehurst, N. C., report a most interesting session. While no action of first importance was taken, there was illuminating discussion on mutual competition, the proposed supplemental contract, and other matters agitating the southern field. Contingent commissions were talked over informally. Because of the high rates charged along the south Atlantic coast for windstorm coverage, it was deemed impractical to draft a supplemental contract uniform with that written throughout the eastern jurisdiction, but the special committee previously named to consider the problem was asked to continue its efforts, working in collaboration with similar committees of the Eastern Underwriters Association and the Western Underwriters Association. Generally speaking the premium income of the stock companies in the south this year will aggregate or perhaps slightly exceed that of 1934; while the average loss ratio will be on a par with that experienced throughout the balance of the country.

Favor Hail Rate Cuts

The advisory hail committee of the Hail Association has recommended that hail rates on growing crops, be reduced from 14 percent to 12 percent in certain parts of Nebraska and from 5 percent to 4 percent in parts of Oklahoma and from 6 percent to 5 percent in Major county, Oklahoma. A slight change in the form for hail insurance on tobacco crops in Missouri, Illinois, Indiana, Kentucky, Ohio and Tennessee was recommended. The committee suggested that the effective date of policies on risks of this type be made 15 days after the insured crop is set in the field. The present effective dates are calendar days, either June or July 1 in the various states.

These recommendations will be presented to the executive committee when it meets on Dec. 3 in Chicago, preceding the meeting of the association on the afternoon of that day. J. B. Cullison, Jr., of the Rain & Hail Bureau is chairman of the advisory committee.

THE WEEK IN INSURANCE

Eastern executives, in considering the demand of agents for payment of contingent commissions, feel that the acquisition cost simply cannot be increased under current conditions. **Page 1**

New minimum tariff rate schedule for Chicago and Cook county is promulgated. **Page 3**

Insurance Advertising Conference program for meeting in New York Dec. 3 is announced. **Page 2**

Albert Dodge launches new agency. **Page 23**

A. N. Kemp is elected president of the Pacific Mutual Life, succeeding George I. Cochran. **Page 31**

Fred A. Price of the Chicago general agency firm of Conkling, Price & Webb is dead. **Page 31**

National Safety Council announces 5-year country-wide campaign to reduce motor vehicle deaths 35 percent. **Page 29**

All business of the Iowa National Fire of Des Moines is being reinsured in the Firemen's of Newark. **Page 1**

Public now automobile finance conscious, Michigan banker finds. **Page 2**

Use and occupancy line profitable to solicit. **Page 26**

New England advisory board reelects Fred R. Smith chairman. **Page 18**

D. Maury Pollard endorsed for Blue Goose grand keeper by Texas pond. **Page 12**

J. Dillard Hall of Chicago is appointed assistant agency director of the U. S. F. & G. at the head office. **Page 20**

London Lloyds pact is to be extended to embrace Illinois, according to authoritative word. **Page 29**

U. S. Supreme Court holds materialmen have claim prior to that of surety against reserved percentage of 10 percent of contract price. **Page 30**

New Reduced Chicago Rates Have Now Been Promulgated

SUPPLEMENTAL FORM RECAST

Changes Are Effective as of Nov. 1—
Contract Is Now Known as
"Extended Coverage"

The new Chicago minimum tariff rates were officially promulgated this week, effective as of Nov. 1. Decision to reduce the tariff for this classification, which includes private residences, apartments, flats, private garages and out buildings, was reached at a special meeting of the Chicago Board. The advisory committee was authorized to work out the details and the directors were empowered to promulgate the rates.

The Chicago Board states that in towns of classes 1-8, there is a reduction of 7 to 10 percent on brick dwellings and two story flats and apartments and a reduction of 3 to 5 percent on the contents therein.

Frame Dwelling Rates

For frame dwellings in towns of classes 1-8, there is a reduction of 8 percent to 24 percent on buildings; 4 to 17 percent on contents.

For frame flats and apartments there is a reduction of 6 to 15 percent on buildings and 3 to 10 percent on contents.

For garages in connection with dwelling property there is an average reduction of 5 percent on brick buildings and an average of 29 percent on frame buildings.

For towns of classes 9 and 10, there is practically no reduction.

At the same time the supplemental contract has been revised and new rates issued. It has been rebaptized and is now known as "extended coverage." It is a one item policy. It is designated as "Rider extending coverage to include loss or damage caused by windstorm, cyclone, tornado and hail, explosion, riot, riot attending a strike, insurrection, civil commotion, aircraft, self propelled vehicles and smoke damage as herein-after provided."

Then there is space for inserting the "extended coverage rate."

Extended Coverage Rate

The rate for the extended coverage for minimum tariff risks is now 12 cents in Chicago, Evanston and Oak Park and 16 cents elsewhere in Cook county. Previously the rate has been 18 cents throughout the county. Previously the board allowed the attachment of a supplemental contract on policies covering buildings only for 9.6 cents with an 80 percent coinsurance clause. That permission is now abrogated.

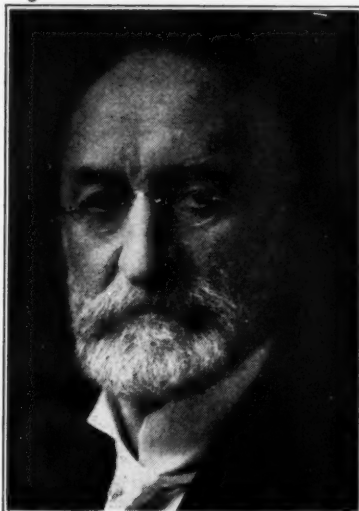
The general rate set up has been considerably simplified. Heretofore there have been three exposure classifications for frame buildings—(1) where the building was detached 25 feet or more in all directions from other buildings of the frame class; (2) where building was detached from 10 feet to 25 feet, and (3) where there was not as much as 10 feet detachment. Now there are only two classes—those buildings detached 10 feet or more and those not detached as much as 10 feet.

Another simplification is the elimination of the mixed construction classification. Now a building is moved into the brick classification if the construction is predominantly brick and falls into the frame classification if it is predominantly frame. This causes some rate increases and some reductions.

Existing policies may be canceled pro rata to be written in the same company for not less than the original amount and not less than the original term or may be rewritten for not less than the original amount for a period not less than one year beyond the expiration of the canceled policy.

An existing policy on which the commencement date is between Sept. 1,

Utah Veteran Leads in Business, Church at 79



HEBER J. GRANT

Heber J. Grant, one of the real patriarchs among western insurance men, both from the standpoint of age and years in the business, celebrated his 79th birthday a few days ago. He is the dean of Utah's insurance men, life, fire and casualty, having entered the business 64 years ago at the age of 15 as clerk for a Salt Lake City insurance office. Before he was 20 he was operating his own agency. He early organized the Heber J. Grant & Co. general agency and the Utah Home Fire, which he still heads.

His activities in the life branch culminated in his becoming president of the Beneficial Life, Salt Lake, which he has headed since 1918.

For 17 years he has been head of the Church of Jesus Christ of Latter-day Saints, or Mormons, being supreme head, spiritual as well as temporal, of the several hundred thousand members of the faith to whom Salt Lake City is their Mecca. This position makes him an outstanding western and national, if not a world, ecclesiastical figure; but in spite of this, he is still the active business man. His dual capacity as business man and high ecclesiast places him in a unique position.

Sons-in-Law Insurance Men

Mr. Grant has two sons-in-law prominent in insurance, G. J. Cannon, executive vice-president Beneficial Life, and J. G. Midgley, manager of Heber J. Grant & Co.

Mr. Grant is very active in spite of his age. He is tall, carries himself erect and has a strong, ringing voice that enables him to address large audiences without the aid of an amplifier. He is a very practical man.

One of his favorite maxims is, "That which we persist in doing becomes easy to do, not that the nature of the thing has changed, but that our power to do has increased."

Mr. Grant was born in Salt Lake City in 1856, his father being the first mayor and a close associate of Brigham Young. He is the father of nine daughters, all living, but has no sons.

1935, and Oct. 31, may be rebated effective as of Nov. 1.

The rates, rules and forms governing the use of the extended coverage for other than minimum tariff risks are being revised and changes will be provided early next week.

The Chicago Board announces that a meeting or series of meetings will be held to discuss the minimum tariff. The dates for such meetings have not yet been arranged.

The Wesley Denton agency has been incorporated in Butler, Mo.

Illinois Code Is on Third Reading; Action Next Week

BILL NOW AT PASSAGE STAGE

Senator Keane Sponsors Rate Provisions—Hope to Pass Measure Before Thanksgiving Day

SPRINGFIELD, ILL., Nov. 27.—The state senate adjourned today until next Tuesday without taking any action on the proposed insurance code and the new insurance rate bill. The house likewise is in recess until Tuesday. Senate leaders indicated the insurance bills, both of which are on third reading, or the passage stage, will come up for senate action next week. Both bills were advanced to third reading at the Monday night session.

The code bill was sent to passage stage by Senator L. O. Williams, Democrat, Clinton, after three amendments were adopted. One would require London Lloyds to post surety of \$500,000, the same as Illinois companies. The second amendment provides reciprocals and mutuals must each post \$25,000 as surety, while the third altered the section pertaining to burial associations, allowing them 70 percent for administration.

Rate Section Is Separate

Sen. Thomas Keane, Democrat, Chicago, is sponsoring the rate bill, which originally was part of the code itself, but was removed and incorporated in a separate bill.

The Illinois senate is now engrossed in discussing 40 amendments to the old age pension bill passed by the house. Senate leaders hope to give final passage to the measure before they adjourn for Thanksgiving. After the senate has approved it, it then will go back to the house for concurrence in the amendments. This process will require time, and administration leaders expect to have the legislation approved by Dec. 15. The general theory prevails that most of the other important measures before the special session will be lost in the rush. Speaker Devine of the house has expressed the belief that sine die adjournment probably will be taken during the week of Dec. 9. He indicated that he had little hope for passage of any major bills except the pension act.

May Be Lost in Shuffle

The Illinois house adjourned last week to reconvene Dec. 3. The Illinois senate however is in session this week. Nothing was done last week on the insurance code but owing to the fact that many of the leaders in the legislature are pushing for an early adjournment the insurance measures may be lost in the shuffle.

The senate insurance committee reported out two bills last week introduced by Senator Fridley of Pana recommending that they pass and were advanced to the second reading. One is the so-called vexatious delay feature in the code which allows plaintiff damages of 10 percent in addition to the amounts recovered by the claimant in suits where the insurance company "vexatiously" has refused to pay. The bill pertains to all kinds of insurance. The other bill comprises one of the amendments that was offered by the committee, it providing that suits may include not only the insured but the insurance company jointly in litigation to recover for injury, death, or property damage where liability is covered by insurance. These are highly controversial matters and will meet with stern opposition by insurance companies.

W. A. Askew has retired from the Hall, Bates & Askew agency at Amarillo, Tex., to join Hal Brown in the new agency of Askew & Brown. H. H. Hall and G. H. Bates will continue their old agency as the Hall-Bates Agency.

Important Rural Move Is Established in Michigan

PLANS ELECTRIC INSPECTION

State Is Given Authority to Supervise Important Work—L. P. Dendel Heads Administrative Board

LANSING, MICH., Nov. 27.—Insurance men who watch very carefully hazards in cities realize that much has been accomplished, especially in the larger centers, by having proper ordinances established governing electrical wiring and equipment and providing for the licensing of electrical contractors and journeymen. Such ordinances also require the inspection of new wiring installation. Insurance authorities have encouraged the enactment of ordinances of this kind by granting rate credits in cities where organized electrical inspection is in effect.

If electrical inspection is so desirable in cities it would seem to be more necessary in rural and suburban communities where the wiring is seldom done by competent electricians. There are practically no facilities for either detecting fires or putting them out. Michigan has come to the front as one of the leading states in farm electrification, having over 42,000 farm properties connected to high power line service, or about 25 percent of the farms in the state.

A great part of the insurance on farm property is carried in local farmers' mutuals and they have suffered severe losses from electric wiring. Efforts have been made in some manner to combat this hazard. The proposed expansion of rural electrification by loans from the federal government made the need for some sort of inspection service more urgent.

Legislature Took Action

At the instigation of these farm mutuals the legislature this year passed a state-wide electrical inspection bill which became effective Sept. 22. Credit is given for the passage of this measure largely to the efforts of L. P. Dendel, secretary of the state association of mutual insurance companies at Lansing. He went at the work in a single-handed way and convinced the legislators of the need of raising the standard of electric wiring in country communities.

Governor Fitzgerald recognized the argument that Mr. Dendel presented. He appointed Mr. Dendel a member of the electrical administrative board to represent the insurance people. Insurance Commissioner Ketcham is an ex-officio member of the board. In addition to Mr. Dendel the other members are J. G. Spaulding, electrical contractor, Detroit; A. A. Schramke, chief electrical inspector of Saginaw; James Kelly, Jackson, representing the utility interests, and Lloyd Coons of Detroit, representing the electrical workers.

Dendel Made Chairman

Mr. Dendel was chosen chairman of the board. It will now have full charge of licensing electrical contractors and journeymen, prescribing minimum standards for wiring rules and providing for the inspection of all new electrical wiring installation. This state-wide electrical wiring inspection as a function of the state government is an entirely new movement and will be watched with interest by insurance people the country over.

The new uniform policy used by the mutuals which was made standard by the 1933 legislature, Mr. Dendel points out, provides that the carrier need not pay a loss resulting from defective wiring if the wiring was not inspected by a competent inspector. It is probable, he said, that when policyholders having uninspected wiring realize the loophole existing in their policies they will submit to voluntary inspections at their own expense.

Many an agent owes his success to an early affiliation with a sound, conservative company.



PHILADELPHIA FIRE *and* MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.

CHICAGO OFFICE: 209 W. Jackson Boulevard

SAN FRANCISCO: { Fire Office—200 Bush Street
Marine Office—231 Sansome St.

New Effort Made to Oust Commissioner Cochrane

DENVER, Nov. 27.—Commissioner Cochrane is again the object of ouster proceedings started by State Senator Nolon, who last spring charged Mr. Cochrane with operating his office negligently and inefficiently. In the new case, Nolon, as a private citizen, accused Mr. Cochrane on 10 specific counts of negligence in charges filed with civil service commission.

The charges are the same as those filed last spring, which were denied by Mr. Cochrane and later dropped. When Nolon filed his new charges, he demanded Mr. Cochrane's removal and announced the commissioner would be given 10 days to file an answer after which a hearing will be conducted by the civil service commission.

Seven of the charges deal with the American Life scandal, while the other three accuse the commissioner of failing to keep his office records available to the public, of permitting one or more employees to draw state salaries without being assigned to specific duties, and of handling his department negligently.

Mr. Cochrane has not yet made any reply, but it is expected he will enter the same denials as of last April. The motive for Nolon's second effort to oust Mr. Cochrane is a mystery as it is understood the commissioner will reach the age of 70 some time next year and will have to retire automatically under a new state law.

Field Men Entertain Agents

DENVER, Nov. 27.—The Mountain Field Club will act as dinner hosts to Denver local agents representing association fire companies Dec. 2. The meeting is designed to bring about closer connections between agents and field men and find out where the two groups can cooperate more on various problems. Lee Simonton, president of the field club, sent the invitations.

Map F. U. A. P. Program

SAN FRANCISCO, Nov. 27.—Plans are being completed for the program of the annual meeting of the Fire Underwriters Association of the Pacific to be held next February, according to C. L. Barsotti, Fire Association, who is president of the association. Among those slated to deliver papers are: J. Victor Herd, vice-president Fire Association; Harry J. Boyle, manager Fire Companies Adjustment Bureau, and Dr. S. S. Huebner, dean Wharton School, University of Pennsylvania.

W. L. Wallace, vice-president Pacific National Fire, has been appointed chairman of the banquet committee, serving with R. R. Robertson, London & Lancashire, and Jay Wickler, Great American and Phoenix.

Topeka Officers Reelected

TOPEKA, Nov. 27.—The following officers of the Topeka local board were reelected at the annual meeting: Edwin E. Nellis, president; Stanley Copeland, vice-president; Webb Woodward, secretary. Members of the executive committee are Holmes Meade, Glenn Hussey, William Falkiner, James Brier and Edwin Nellis.

Purchase Home Office Site

The Caledonian has purchased the southwest corner of Garden and Cogswell streets, Hartford, from the Hartford Fire. It is expected this will be used as a site for a home office building.

Tax Requirement Withdrawn

TOPEKA, Nov. 27.—The proposed requirement of the state tax commission which would require each individual to give the county assessors information relative to the amount of fire insurance carried by them upon their personal property has been rescinded by the commission. A committee of agents repre-

sending the Topeka local board called upon Fred Horn, a member of the commission. The committee consisted of Holmes Meade, Glenn Hussey, William Falkiner and Edwin Nellis.

P. W. A. Coverage Suggested

The Public Works Administration is recommending an interest and an amortization charge insurance to protect municipalities and private corporations to whom funds have been allocated for the construction of revenue producing projects to indemnify bond holders for the loss of interest and amortization charges through the impairment of the borrower's ability to make payment when due should the project be destroyed by fire in the course of construction and thereby delay completion and consequent earning capacity.

Examine the Rating Bureau

SEATTLE, Nov. 27.—Two Washington department deputies moved in on the Washington Surveying & Rating Bureau this week to examine its affairs. It was the first time since establishment of the bureau that the department scanned its records. It was free from department inspection until the January, 1935 legislative session. At that time Commissioner Sullivan secured enactment of a rate regulatory law which gives him the power to "examine" the rating bureau. Originally the bill gave him supervision, but the law was amended before it passed.

The deputies, L. J. Gay and G. B. Avery, said they are not concerning themselves with rating practice but are confining their perusal to the method of allocating the expense among the companies.

Difficulty in Refund

HOUSTON, TEX., Nov. 27.—It is reported here that purchaser of an automobile financed by one of the national finance companies decided to place his insurance through a local agent and asked that the finance company's policy be dropped. The refund was made but a third of the premium was deducted. Local agents protested and finally after authorities at Austin were notified, the full amount of the premium was refunded.

Leading Agent is Dead

Lloyd Aldwell, who for over 30 years conducted the leading insurance agency at Port Angeles, Wash., died of a sudden heart attack. The business will be continued by Lyle Beam, for many years associated with the agency, and Mrs. Aldwell.

Denver Nominators Named

DENVER, Nov. 27.—The nominating committee to select a slate of officers for election at the December meeting of the Denver Association of Insurance Agents consists of: Max Schayer, chairman, N. C. Steel, and Frank England, Jr.

Executive Committee Meeting

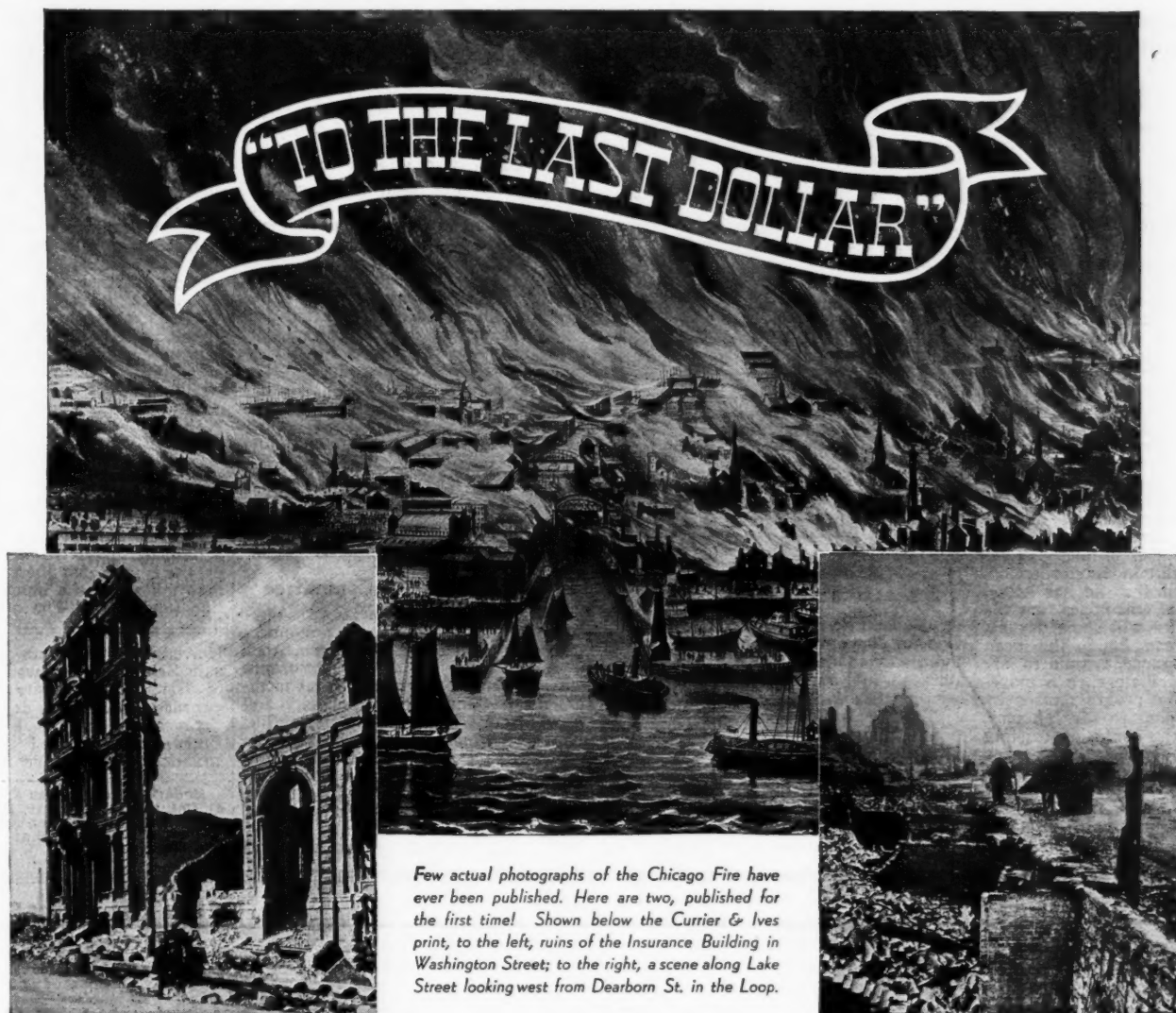
TOPEKA, Nov. 27.—A meeting of the executive committee of the Kansas Association of Insurance Agents has been called for Dec. 5 at Topeka. Harry O. Tinklepaugh, Kansas City, Kan., the newly elected chairman, will preside.

C. E. Stiehl Has Daughter

TOPEKA, Nov. 27.—Announcement is made by Mr. and Mrs. C. E. Stiehl of Topeka of the birth of a daughter Carol Ann. Mr. Stiehl is special agent in Kansas for the Law Union & Rock and Standard Marine.

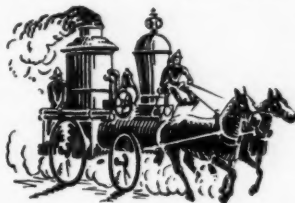
L. H. Bridges at Kansas Meet

L. H. Bridges, Chicago, assistant manager of the farm and hail department of the Home and a past most loyal grand gander of the Blue Goose was a guest of the Kansas pond at Topeka. Lloyd L. Gaines, Commercial Union, was chairman.



Few actual photographs of the Chicago Fire have ever been published. Here are two, published for the first time! Shown below the Currier & Ives print, to the left, ruins of the Insurance Building in Washington Street; to the right, a scene along Lake Street looking west from Dearborn St. in the Loop.

After raging for twenty-eight hours the great Chicago Fire of 1871 destroyed an area of three and one-half square miles in the very heart of the city. The 17,500 buildings which were destroyed, represented one-third of the total number and one-half of the total value of all the buildings in the city. Two hundred fifty lives were lost and one hundred thousand persons were made homeless.



More than two hundred insurance companies paid losses amounting to \$44,000,000. The largest sum involving any one insurance company amounted to \$3,270,780 which was paid promptly and *to the last dollar* by The Liver-

pool & London & Globe Insurance Company Limited, a member of the Royal-Liverpool Groups. Such records serve today as guide posts to sound insurance protection.

ROYAL-LIVERPOOL GROUPS

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AS SEEN FROM CHICAGO

THOMAS FOR RESEARCH BUREAU

Citing the research work done by other businesses into the methods and products of their competitors, Charles F. Thomas, manager of the Western Underwriters Association, speaking before the Chicago Fire Insurance Examiners Association, asserted there is need for thorough and comprehensive study of the theory and practice of mutual and reciprocal insurance and suggested that the association set up a program of study along these lines. The occasion was the annual managers' night of the examiners group, at which over 150 were present, including most of the managers and assistant managers in the Chicago area. E. A. Henne, vice-president and western manager of the America Fore and president of the Western Underwriters Association, introduced Mr. Thomas.

Research, stated Mr. Thomas, not only along the lines of competition, but also in connection with public relations, press relations, the constantly changing needs of the insuring public and the continuously pressing demand of policyholders for custom-made contracts, is essential if organization stock fire insurance is to maintain its leadership. The speaker stated that he has hoped for a long time and still hopes that the organized companies will some day set up a research bureau, but in the mean time the fire insurance examiners are the ideal men to initiate such a movement. Much of the progress made by competitors, according to Mr. Thomas, can be traced to the confusion existing throughout the rank and file of stock fire insurance regarding the other side of the picture.

Mr. Thomas paid high tribute to the faithful and intelligent service rendered by examiners and asked all the mem-

bers to get in contact with him often and personally.

* * *

KADYK ADDRESSES CITY CLUB

David J. Kadyk, assistant attorney-general of Illinois, talked to the City Club of Chicago at its weekly meeting Monday on the new insurance code. Mr. Kadyk is assigned to the insurance department work and has been in touch with the code from the beginning. He told of the many defects and inconsistencies that have grown up in haphazard legislation since 1869 and how the code would correct them. Listing the new matter in the code he mentioned the abolition of restrictions between fire and casualty companies. He said this was objected to by outside companies because their own laws do not give them the privileges of writing all lines granted in the Illinois code. However, Mr. Kadyk predicted that the laws in other states will be broadened before long. He explained very clearly for laymen many of the points of the code and apparently had the audience with him. Mr. Kadyk spoke in place of Ernest Palmer, director of insurance, who was laid up with a cold.

* * *

S. S. VASTINE DIES IN MISSOURI

S. S. Vastine, in the local field at Chicago for 50 years, died this week at the home of his daughter, Mrs. Marjorie Marshall, in Kansas City, Mo. He had been partly disabled for a couple of years with a weak heart but up to three months ago was able to give some attention to business.

Mr. Vastine was 68 years old. He was a member of the firm of Herrick, Auerbach & Vastine, which is part of the Associated Agencies organization in the Insurance Exchange. The business

will be carried on under the same name, and under arrangements made some time ago. Prior to his joining Mr. Herrick and Mr. Auerbach he had been a broker with Moore, Case, Lyman & Hubbard and prior to that with Fred S. James & Co. He started his insurance career in Chicago in 1883 with A. H. Darrow & Co. His residence was in Oak Park, Ill. The funeral will be from his daughter's home, 6135 McGee street, Kansas City, on Friday afternoon. Burial will be in Kansas City.

* * *

PEARL OFFICIALS ON VISIT

Two prominent head office officials of the Pearl are visiting the new western department in Chicago and its manager, Vincent L. Gallagher. They are John Pierce, vice-chairman of the board, and John Hopkins, joint managing director, who is accompanied by Mrs. Hopkins. Oscar Carlson, assistant foreign fire manager, is expected in Chicago later. He stopped at the Cleveland office of the company.

* * *

J. A. O. Preus, vice-president W. A. Alexander & Co., Chicago, and former Minnesota insurance commissioner and governor, spent several days in Minneapolis and St. Paul.

* * *

The annual dinner of the Cook County Field Club will be held Dec. 10 at the Germania club in Chicago.

Stock on Publicity Committee

President Bair of the National Association of Insurance Agents announces the appointment of H. Thompson Stock of the Arthur J. Stock Insurance Agency, Detroit, as an additional member of the committee on publicity and education, of which Albert Dodge, Buffalo, is chairman. Mr. Stock has been interested in a program started several years ago by the National association to have insurance courses added to the curricula of our schools, colleges and universities.

Mr. Stock studied insurance at the

Fire Companies See Little Gain in Prospect for 1935

Fire companies throughout this year have been revising downward from month to month their prediction of what the 1935 premium writing would be. Early in the year, when good increases were being recorded, the prediction that 1935 would be 10 percent better than 1934 was freely voiced. Then towards the middle of the year as the rate of increase slowed down, the prediction was being kept to about a 5 percent increase. Then as the fall months set in and the fire business flattened out in discouraging fashion, predictions began to be heard that there might not be any increase this year, but indeed there might be a decline.

It is likely that the entire volume of premiums written by fire companies this year will be greater than last year. However the backbone of the business, straight fire insurance, is likely to show a decline. The automobile business has been a lifesaver, with sensational increases. Those companies writing hail insurance on growing crops have experienced a big increase in that department. Inland marine has had a strong year.

Most executives of fire insurance companies, however, are affected principally by the course that the regular fire business takes and the immediate results in this fundamental line are discouraging.

University of Michigan and at the Graduate School of Business Administration of Harvard University where he was awarded his Master's degree. He is now chairman of the Michigan Inspection Bureau committee of the Detroit Association of Insurance Agents.

Roderick Bethea has opened an agency at Columbia, S. C. Mr. Bethea had been connected with his father, Sumner Bethea, in Birmingham prior to his death.

INTER-OCEAN REINSURANCE COMPANY

Roy E. Curray, President
Karl P. Blaise, Vice Pres. & Secy.
D. L. Nelson, Asst. Secy.

HOME OFFICE
CEDAR RAPIDS, IOWA

Alonzo Church, Vice Pres.
J. L. Campbell, Secretary
E. C. French, Secretary

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of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY
MARYLAND INSURANCE COMPANY OF DELAWARE
THE FIDELITY AND CASUALTY COMPANY
ERNEST STURM, Chairman of the Boards
BERNARD M. CULVER, President

New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

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225TH ANNIVERSARY



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AND SQUARE DEALING SINCE 1710**

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AUTOMOBILE
EXPLOSION
RIOT & CIVIL COMMOION
USE & OCCUPANCY
RENTS & RENTAL VALUE
LEASEHOLD
INLAND MARINE
OCEAN MARINE

TOURIST FLOATER
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ALL RISK PERSONAL FURS
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via Truck, Rail or Steamer
(Annual or Trip Policies)

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309 W. Jackson Blvd., Chicago
Chas. W. Ohlson, Manager

PACIFIC COAST DEPARTMENT

San Francisco, Cal.
Swett & Crawford, General Agents

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111 John St., New York
Wm. H. McGee & Co., Inc., Gen. Agts.

SUN INDEMNITY COMPANY

55 Fifth Ave., New York
F. I. P. Callos, President

WHEN answering advertisements in this paper will you kindly mention that you "saw your ad in THE NATIONAL UNDERWRITER"?

List of 400 Agents to Get New Jersey Coverage Given

NEWARK, Nov. 27.—Commissioner Withers of New Jersey has designated 400 agents of the New Jersey Underwriters Association to write \$15,000,000 fire insurance on properties taken over by the department. The plan will be effective with December renewals aggregating \$700,000. The American of Newark is to handle all fire insurance on the 3,200 properties owned by building and loan associations, banks, title companies and insurance companies, taken over by the department. The 90 companies that will distribute the business, wrote in excess of one-quarter of 1 percent of the gross total of fire premiums in New Jersey in 1934, and 15 are New Jersey corporations. More than 150 companies are barred from any of the business.

All casualty business will be placed by Smith-Austermuhl Co., Camden. David Baird, Jr., is the leading member of this firm. No provisions were made for reinsurance with other companies, as in fire policies. No estimate of the volume of casualty business was made. The total premiums on fire business are estimated at \$2,000,000, with \$500,000 commission. There are approximately 10,000 agents and brokers in New Jersey of whom only 40 will get the business of the department.

Mutual Service Bureau Elects

B. H. Davison, superintendent of agencies and assistant secretary Allied Mutual, Des Moines, was elected president Mutual Service Bureau, at its fifth annual meeting, succeeding N. E. Kyle, Mill Owners Mutual.

Other officers are: W. S. Rutledge, Farmers Mutual Hail, vice-president; John Gunn, Jr., Employers Mutual Casualty, secretary; Ace Rowe, Home Mutual, treasurer; A. B. Loran, State Automobile, and O. T. Wilson, Central States Mutual, directors. The new officers also are directors.

Line Switched to Pearl

About \$8,000,000 worth of Montana state property has been changed from the mutuals to the Pearl due to the fact that the mutuals refuse to waive the fallen building clause and the Pearl was willing to do so. The change was made in view of the recent earthquake trouble in Helena. The business was insured in the Mill Mutuals and the National Mutual. The line is handled by the Miller agency of Butte, which had placed the insurance in the mutuals and also controls the line now that it is handled by the Pearl. This transaction will cost at least \$4,767 extra and if the Mill Mutuals refuse to cancel on the pro rata basis, there will be an additional extra cost of \$1,700.

W. J. Supernaw and E. N. Williams have formed the **Supernaw & Williams** agency at Skiatook, Okla.

Michigan Men Meet with the W. U. A. on Contingent

The special committee of the Michigan Association of Insurance Agents that was appointed at the annual meeting in October to petition the Western Underwriters Association to allow the payment of contingent commissions to agents in ordinary territory in Michigan held a session in Chicago Tuesday with several of the western department managers in the W. U. A. headquarters. Phil J. Braun of Flint, chairman of the committee, was accompanied by five other members. George W. Carter of Detroit, national councillor for the Michigan association, was not present. No statement was made as to the trend of the discussion, but it is known that company officials in the west are convinced there can be no increase in expense ratios and that the contingent commission question is a national matter and cannot be handled without reference to what is to be done in other states throughout the country.

Huff with General Agency

W. T. Huff, who for many years traveled Tennessee as special agent for the Aetna Fire, later entering the automobile casualty field, has recently returned to the fire insurance field, being associated with the Robertson-Crouch Company of Nashville, general agents in Tennessee for the Eagle, Star & British Dominions and the Richmond of the Crum & Forster group. Mr. Huff will travel Tennessee.

Appeal General Rate Ruling

LOUISVILLE, KY., Nov. 27.—Commissioner Reed, through his attorney F. M. Drake, Louisville, has filed an appeal with the appellate court from the decision of the Franklin county circuit court. Judge Jones who recently ruled that the General of Seattle's writing five year term insurance on equal annual payments was not in violation of the insurance laws.

At the time Judge Jones issued his ruling he also refused to issue an injunction and the matter was rather undecided. The brief was recently filed and arguments will be heard about Dec. 3.

Miscellaneous Notes

J. Bracken Lee, Price, Utah, agent, has been elected mayor of his city.

The Republic of Dallas has declared its fourth quarterly dividend of 2½ percent.

The Landry-Oubre Agency at New Iberia, La., has been purchased by the J. B. Schwing Agency.

The Greenwood Agency of Big Lake has opened offices in Crane, Tex., under the management of S. C. Harrell, former Crane county judge.

L. B. Joyce, Jr., assistant fire and marine manager of the Coleman & Co. agency, San Antonio, Tex., has a new daughter, Virginia Glyn.

INDIANA INSURANCE COMPANY

A STOCK COMPANY CHARTERED 1851—OPERATING ONLY IN INDIANA

ASSETS OVER \$800,000.00

Writing

AUTOMOBILE

All Lines in One Policy

FIRE and WINDSTORM

Combined coverage, equal or unequal amounts, in one policy
Excellent reinsurance facilities

PLATE GLASS

Unexcelled contracts

SPECIAL AGENTS

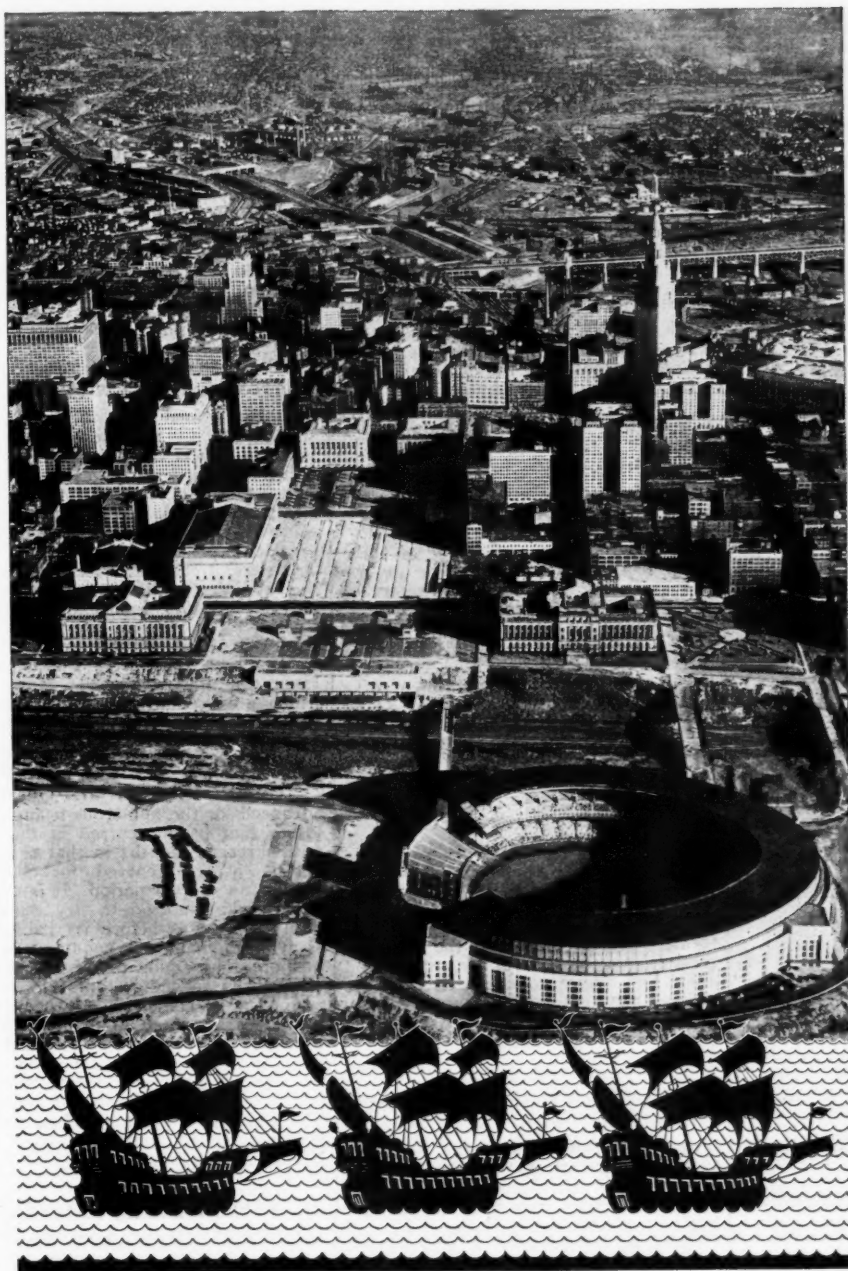
ERNEST NEWHOUSE
HAROLD H. WELLS
EMERSON NEWHOUSE

HOW about an agency contract with a Company that will help an agent when help is needed?

Riley 6452

8 East Market St., Indianapolis

The Fleet Drops Anchor in "Downtown" Cleveland



For the convenience of Pearl-American Fleet agents in and near Cleveland, a downtown office of the Fleet has been opened at 830 Cuyahoga Building on the Public Square. Here in a central location in Cleveland are all the home office facilities of the Fleet companies.

C. B. Hawkins is in command of this newest Fleet office. Sixteen years of actual agency experience give him a sympathetic understanding of agents problems. His experience and the facilities of his office are at the disposal of Fleet agents to help them increase their business.

To agents not now associated with the Fleet, a cordial invitation is extended to investigate a group of companies noted for strength, soundness, progressiveness and cooperation with agents.

PEARL - AMERICAN FLEET

PEARL ASSURANCE CO., LTD., UNITED STATES BRANCH
EUREKA-SECURITY FIRE & MARINE INSURANCE CO.
MONARCH FIRE INSURANCE CO.

NEW YORK

CLEVELAND

CINCINNATI

PHILADELPHIA

CHICAGO

SAN FRANCISCO

NEWS OF THE COMPANIES

To Apportion Republic Stock

Shares of Dallas Company Owned by Holding Company to Be Distributed to Individuals

A special dividend, partly in cash and partly in the form of stock of the Republic of Dallas, has been declared by the Globe Underwriters Exchange of New York. The cash dividend amounts to 35 cents per share. Then each Globe stockholder is to get 54/100 of a share of Republic for each share of Globe. The dividends are to be paid Dec. 16 to stockholders of record Dec. 2.

Fractional shares of the Republic are to be settled for in cash on the basis of \$23 per share for the Republic. This makes that portion of the special dividend distribution equivalent to a money dividend of \$12.75 per share. After this distribution has been made, the Globe Underwriters will have remaining assets of about \$1,000,000.

The number of Republic of Dallas shares to be distributed totals 146,373—

the entire holdings in that company of the Globe Underwriters Exchange. The number of shares of Globe Underwriters Exchange in the hands of stockholders is 270,195.

Decision has not yet been made by the directors of the Globe Underwriters Exchange as to the future policy of that corporation.

Central States Increases Both Capital and Surplus

Capital and surplus of the Central States Fire of Wichita were each increased from \$800,000 to \$1,000,000 at a special meeting of the stockholders held in Wichita attended by President Roy E. Eblen of Hartford. The company was chartered in 1915. From an initial capital of \$250,000, it was increased to \$400,000 in 1928 and to \$800,000 in 1930 and now to \$1,000,000.

Takes Company's Records

LINCOLN, NEB., Nov. 27.—Under direction of the Nebraska legislature the

state insurance department has taken possession of part of the assets, files and records of the Lincoln Hail, which went into receivership in 1932. The department at that time named F. A. Wood and M. Witzenburg as liquidating agents, but they were halted in finishing the work by the exhaustion of funds. The district court in charge has given the agents several weeks to turn over remaining records and assets, and if objections are made a hearing will follow. It is planned to wind up the liquidation in January. Legislators urged suit on the \$50,000 bond of Treasurer W. R. Linch, issued in 1932.

General Exchange Boosts Capital by Stock Dividend

NEW YORK, Nov. 27.—Through the declaration of a stock dividend of \$3,000,000 the capital of the General Exchange has been increased from \$1,000,000 to \$4,000,000. This change in the capital structure, President Short asserts, will improve the ratio of capital "to both the amount of net premium volume being currently written as well as to the unearned premium reserve and surplus of the company."

Elects New Officers

R. S. Brown, Spencer, Ia., agent, has been appointed vice-president Mutual Fire & Tornado, Cedar Rapids, to fill a vacancy caused by the death of W. H. Linn, at a directors' meeting. I. J. Kemmerer, Independence, was elected president, succeeding the late I. M. Walker. The company specializes in fire and automobile insurance.

New Globe Suit

Commissioner Jesse G. Read of Oklahoma has dismissed his suit in the district court asking the right to intervene in the receivership case pending against the Globe Fire of Oklahoma City, and asking for appointment of a new receiver. He immediately filed a new petition asking for the appointment of a receiver on the ground that the Oklahoma laws provide that only the insurance commissioner can bring such action against a company in the state.

Reenters General Field

Re-entry of the Associated Fire & Marine into the field of fire and allied lines, on a treaty and facultative reinsurance basis only has been approved by Commissioner Carpenter of California. Several years ago, the company retired from the general fire, marine and allied lines, since confining itself to the writing of automobile coverage only. No direct business is to be accepted, company officials state.

Gets Union National Business

LINCOLN, NEB., Nov. 27.—Approval has been given by the Nebraska insurance department to a contract whereby the Dwelling House Mutual Fire of Lincoln reinsures all of the business of the Union National Fire of Omaha, except that carried in two specified agencies. The Union National began writing business in 1934. According to its financial statement Dec. 31 last year it had \$332,281 assets.

The Union National is a comparatively small new company that has gotten into some financial difficulties. The company last year had net premiums of \$6,910, losses of \$1,029, expenses \$16,716. Its capital amounted to \$101,000 and net surplus \$95,868. An effort will now be made to reorganize the Union National.

Gordon Kyle, assistant secretary Aetna Fire, stopped over in Richmond to review old acquaintances while enroute back to the home office after attending the Southeastern Underwriters Association meeting at Pinehurst. He was formerly special agent for the Aetna group in Virginia.

NEW YORK NEWS

UNPAID PREMIUMS ARE UP

Unpaid earned premiums showed an increase in June, compared with the same month last year, according to a report of the Central Bureau. Entries of fire companies for the month decreased 530 with a decrease in unpaid earned premiums of \$4,670.

The casualty entries showed a decrease of 641, but the unpaid earned premiums increased \$35,046.

* * *

LARGE FIRES IN OCTOBER

Among the large fires during October listed by the New York "Journal of Commerce" are Camden, N. J., warehouse, \$200,000; Batavia, N. Y., theater, \$300,000; Weston, W. Va., hospital, \$200,000; Covington, La., naval store plant, \$150,000; Lincoln, N. C., warehouse, \$100,000; Breckenridge, Tex., factory, \$150,000; Mexia, Tex., cotton compress, \$250,000; Christopher, Ill., lumber yard, \$100,000; Perry, Ia., roundhouse, \$100,000; Murray, Ky., tobacco warehouse, \$125,000; Detroit, glass plant, \$200,000; LaCrosse, Wis., flour mill, \$150,000; Los Angeles, sanitarium, factory, dwelling, \$300,000; Boise, Idaho, cold storage plant, \$200,000; Tacoma, hotel, \$100,000.

* * *

WATSON HEADS NEW JERSEY CLUB

At the annual meeting of the Insurance Square Club of New Jersey, L. A. Watson, expert of the Schedule Rating Office of New Jersey, was elected president. Other officers elected are: First vice-president, A. C. Bachman, special agent Home of New York; second vice-president, J. B. Kidder, special agent Travelers; treasurer, V. E. Beavers, of the T. W. Griffith agency; secretary, E. A. McCaskie, independent adjuster; trustee, F. B. Heller, Heller-Schlesinger agency. Members adjourned to New York where they were guests of the Insurance Square Club of New York, which presented a handsome American flag.

Heavy Cotton Losses Reported

NEW YORK, Nov. 27.—One theory advanced for the numerous heavy cotton losses that have occurred in the south within recent months is that the product is being prepared for shipment within too short a period. It is customary to allow cotton to dry out for a number of days before its baling, and so avoid the danger of spontaneous combustion. The action of the federal government in reducing from 12½ cents a pound to 10 cents, its advance on the staple, has resulted in planters seeking to sell their 1935 crops as quickly as possible rather than to send the cotton to warehouses, upon which they received the larger government allowance. The situation is being watched carefully by underwriters who have been upset by the recent losses.

Public Building Rates Cut

MINNEAPOLIS, Nov. 27.—Effective Nov. 15, the basic rate on all public buildings in Minnesota is reduced 33 to 40 percent, the Fire Underwriters Inspection bureau announces.

This is one of the largest rate reductions announced in Minnesota in recent years. A good experience on this class of business is given as the reason for the reduction although it is possible other factors have entered the case.

In the past few years many Minnesota towns and cities have been scrutinizing their insurance costs and have sought cheaper protection. Some have considered carrying their own insurance. Others have patronized the non-board market.

Prof. A. H. Smith spoke upon "Scottish Humor" at the meeting of the Quebec Blue Goose at Montreal.

This Progress Speaks for Itself

After a depression, new faces appear at the top of the heap, there are new leaders in many fields—only the fittest have survived. It takes real merit to advance when all the rest of the world is losing ground every day. Hundreds have found that AMICO had that quality, that it did not retrench during the depression—it went ahead!

During those six long, dark years, the American Motorists Insurance Company:

Increased Assets	78%
Raised Surplus	83%
Upped reserves for losses.....	104%
AND, added to its premium income....	63%

Good as its depression record was, AMICO is headed for an even brighter future. Guided by the same economic principles which have brought it to its present leadership, AMICO will go right on, showing increases, giving many more thousands of careful motorists sound, non-assessable insurance at the lowest cost consistent with safety.

AMERICAN MOTORISTS INSURANCE COMPANY

JAMES S. KEMPER, President

Home Office . . . Chicago, U. S. A.

LARGEST ILLINOIS STOCK CASUALTY COMPANY

PUBLIC ENEMY

No 2

Motor Accident

COMMON ENEMIES TO GUARD AGAINST

- | | |
|-----------------------|----------------------------|
| 1 FIRE | 9 LIGHTNING |
| 2 MOTOR ACCIDENT | 10 MARINE DISASTER |
| 3 WINDSTORM & TORNADO | 11 RAILROAD WRECK |
| 4 PERSONAL ACCIDENT | 12 FALLING AIRCRAFT |
| 5 SICKNESS | 13 EXPLOSION |
| 6 DAMAGE CLAIMS | 14 RIOT OR CIVIL COMMOTION |
| 7 BURGLARY | 15 EARTHQUAKE |
| 8 ROBBERY | 16 FORGERY |
| 17 DISHONESTY | |



In these days of crowded highways and fast motor cars it takes but a **SPLIT SECOND** of carelessness or poor judgment to cause accidents so tragic as to mar all the rest of life. Suffering, disfigurement, death are but a few of the **DEMONS** hidden in the split second that divides safety from calamity. Insurance can guard against financial loss but nothing can alleviate the endless regret at some needless disaster caused by carelessness.

LOYALTY GROUP

Firemen's Insurance Company of Newark, N.J.
The Girard Fire & Marine Insurance Co.
The Mechanics Insurance Co. of Philadelphia
Superior Fire Insurance Company
The Metropolitan Casualty Insurance Co. of N.Y.

WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS

CANADIAN DEPARTMENT

461 BAY STREET, TORONTO, CANADA

ORGANIZED
1855
1853
1854
1871
1874

EASTERN DEPARTMENT

10 Park Place
Newark, New Jersey

Milwaukee Mechanics Insurance Company
National Ben Franklin Fire Insurance Co.
The Concordia Fire Insurance Co. of Milwaukee
The Capital Fire Insurance Company
Commercial Casualty Insurance Company

ORGANIZED
1852
1866
1870
1886
1909

PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.

SOUTH-WESTERN DEPT.

912 COMMERCE STREET, DALLAS, TEXAS

NEWS OF FIELD MEN

Curran Takes Chicago Post Texan's Hat Is in the Ring

Transferred by N. Y. Underwriters to Succeed the Late B. T. Holderman—Missouri Successor A. F. Nelson

The New York Underwriters announces the appointment of J. R. Curran as executive special agent with headquarters in Chicago to take the place left vacant by the recent death of B. T. Holderman. He will work in conjunction with Junius M. Clark, traveling in Western Underwriters Association territory.

Mr. Curran has been connected with the New York Underwriters 14 years, recently as state agent in western Missouri. Earlier he was associated with the Iowa Inspection Bureau.

In western Missouri Mr. Curran will be succeeded by A. F. Nelson, who has been special agent in Cook county, Ill., for the North America. His headquarters will be in Kansas City. Mr. Nelson was just recently transferred to Chicago by the North America. He was formerly in the Missouri field with headquarters in Kansas City.

Mr. Curran is a young man who has made good and his promotion is well deserved. He started in the business with the Iowa Insurance Survey Bureau, now the Iowa Inspection Bureau. After three years with the bureau he was appointed special agent in 1922, in Western Missouri for the New York Underwriters. Since 1926 he has been state agent. He is a past most loyal gander of the Heart of America Blue Goose, former president of the Missouri Fire Underwriters Association, past president of the Missouri Fire Prevention Association and at present a member of the executive committee of this organization.

Before traveling Missouri Mr. Nelson was special agent for the North America in Minnesota for a year. He is a product of the fire insurance course conducted at Northwestern University.

Goodall Succeeds Carter

Arthur R. Goodall has been appointed special agent of the Aetna Fire and the World F. & M. in Indiana to succeed Rush W. Carter, who has been promoted to farm superintendent in the western department at Chicago.

Mr. Goodall is a graduate of the insurance school conducted by the Northwestern School of Commerce and has for a number of years served in various departments in the office. He will be associated with Special Agents Hudler, Mountain, Norris and Garrett in assisting State Agent Shoemaker, with headquarters in the Circle Tower building, Indianapolis.

Blue Goose Ponds Endorse D. M. Pollard for Grand Keeper of Golden Goose Egg

The Texas Blue Goose, the South Texas pond and the Alamo pond have all endorsed the candidacy of D. Maury



D. MAURY POLLARD

Pollard for grand keeper of the golden goose egg at the next annual meeting of the grand nest at Oklahoma City. He entered the order in 1907, when he became a member of the Texas pond at Dallas. When the South Texas pond was organized, he took an active part, serving it in many capacities, running up the line to most loyal gander. He was a delegate to the grand nest for 11 years and served as deputy most loyal grand gander. He has been on the life insurance committee of the grand nest and served as chairman on three occasions. The Texas members therefore are very strong for him. The Pollard family has been represented in the Blue Goose for three generations, Robert L. Pollard, Sr., and Robert L. Pollard, Jr., both now deceased, D. M. Pollard, Sr., and D. M. Pollard, Jr. Mr. Pollard is in charge of the Caledonian group in Texas.

Novel Michigan Party

A successful annual party was staged by the Michigan Blue Goose in Detroit in the form of a costume or "originality" party. The banquet room

was appropriately decorated in harvest style, which blended well with the colorful array of costumes and various lighting effects. Prizes were won by G. R. Pritchett, best American farmer; Jerry O'Brien, Underwriters Adjusting, best character impersonated; V. H. Schultheis, Western Adjustment, best Spanish costume; C. C. Iuppenlatz, United States Fire, best Dutch costume. Ladies costume prizes were awarded to Mrs. A. N. McDougall, best Turkish costume; Mrs. E. B. Bystrom, best Russian costume; Mrs. W. R. Ewald, best Colonial costume; Mrs. Stewart H. Manson, best Oriental costume, and Mrs. Geo. R. Pritchett, best farmerette.

Michigan Setup Is Revised

Bowie Returns to State for America Fore—Three State Agents Each Have Two Companies

DETROIT, Nov. 27.—W. E. Bowie, who went to the Chicago office of the America Fore group 18 months ago as an engineer after having been in the field for the fleet in Michigan for some time, has returned to Michigan as state agent for the Niagara and American Eagle of this group, for the lower peninsula of Michigan except Wayne, Oakland and Macomb counties. He will make his headquarters in Jackson.

Mr. Bowie's return to Michigan resulted from the recent resignation of R. J. Price, who had been a special agent for the fleet in this territory and is now state agent for the New York Underwriters. Under the new set-up Don F. Goss serves as state agent for the Continental and Maryland in the lower peninsula except for the three metropolitan counties, and H. J. Hunter serves in the same capacity for the Fidelity-Phenix and First American. There has been no change in Wayne, Oakland and Macomb counties where L. J. Gilmour is supervisor assisted by J. A. Gough.

Send Applications for New Blue Goose Life Insurance

Those members of the Blue Goose, who have been insured in the Lincoln National Life under the so-called multiple policy, have received applications for insurance in the Old Line Life of Milwaukee, in view of the fact that the Lincoln National contract is being terminated and a new one arranged with the Old Line Life.

Applicants are given the choice of purchasing a so-called expectancy policy or an ordinary life policy. This insurance is available to those age 60 or younger, who have been insured in the Lincoln National.

Although the Old Line Life contract does not require that a certain propor-

tion of the entire Blue Goose membership be insured by a certain time, Grand Wielder C. P. Helliwell of Milwaukee advises that there must be universal or practically universal support on the part of members now insured to obtain the coverage on its liberal basis both as regards policy features and waiver of further evidence of insurability.

Members may obtain insurance in the Old Line Life up to the amount that they now own but may take a lesser amount if they so desire.

A special plan has been devised for members age 61-65.

Loss Adjustments to Be Debated at Specials' Meet

NEWARK, Nov. 27.—"Loss Adjustments" will be debated by Robert Moore, New Jersey special agent Fireman's Fund group, and P. M. Winchester, assistant manager New Jersey office, Fire Company Adjustment Bureau, at a meeting of the New Jersey Special Agents Association Dec. 2 in the Hotel Douglas, Newark. Preceding the debate there will be a dinner.

Carolina Pond Doings

Deputy Most Loyal Grand Gander B. S. McKeel was a speaker at the mid-winter meeting of the Blue Goose Carolinas pond at Greensboro, N. C. Other talks were made by C. C. Carnett, secretary Springfield and P. W. D. Jones, secretary of the Aetna Fire. Mr. McKeel, who is North Carolina state agent New York Underwriters, is the pond's candidate for grand keeper next year.

Regional Blue Goose Meeting

The western New York regional Blue Goose meeting sponsored by the Rochester and Buffalo members was held in Buffalo. Most Loyal Gander James R. Ryan of Albany, N. Y., gave a talk. David Davidson is most loyal gander of the Empire State pond.

San Francisco Pond Meets

Many San Francisco company managers and insurance executives will be initiated into the Blue Goose at a ceremony in conjunction with the pond's 15th anniversary dinner meeting Dec. 6. Entertainment will be provided.

Captain T. B. Foster, agent-in-charge, United States secret service, San Francisco, addressed the pond on "Functions of the Secret Service" at the regular luncheon.

Plan Ohio Inspections

Lima, O., will be inspected Jan. 15-16 by the Fire Prevention Association of Ohio. P. G. Lisle, Columbus, and A. G. Dorger, Cincinnati, are in charge. Walter Plangman and F. J. Weber of Cleveland are arranging for the inspection at Ashtabula, O., Jan. 30.

Lorain will be inspected on Feb. 15.

HANOVER

SOUND SECURITY

That's what *your Assured* wants

That's what *you* want—Mr. Agent

That's what our policies guarantee to both of you

83 YEARS OF HONORABLE OPERATION

\$4,900,000 CAPITAL JAN. 1, 1935
\$8,764,733 POLICYHOLDERS' SURPLUS
\$14,392,064 ASSETS
LOSSES PAID SINCE ORGANIZATION \$81,007,007

The HANOVER FIRE INSURANCE COMPANY of New York

Charles W. Higley, Pres.

D. E. Tanner, Commercial Union, and L. R. Bean, Caledonian, are in charge. An inspection of Girard is being planned for March.

Independence Is Inspected

The Kansas State Fire Prevention Association inspected Independence with Harry K. "Smoky" Rogers of the Western Actuarial Bureau as speaker. Mr. Rogers gave his clown act to the schools. He was in Kansas 10 days, giving his clown act at Pittsburg, Parsons, Coffeyville, Chanute and Dodge City. He will return in February to visit the schools at Marion, Hutchinson, and Garden City.

Cheever with the Central

Lyman F. Cheever, for the past five years a special agent for the Royal group in Boston, has been appointed special agent for the Central Manufacturers Mutual. He will travel in Massachusetts, Connecticut and Rhode Island.

Ohio Meeting Dec. 10

The December meeting of the Fire Underwriters Association of Ohio has been changed from Dec. 3 to Dec. 10. A. E. Bulau of the Home will give an illustrated lecture.

Field Notes

The Tennessee State Fire Prevention Association will make an inspection of Humboldt, Dec. 5.

The Kentucky State Fire Prevention Association will conduct an inspection of Bowling Green, Dec. 4. J. Burr Taylor of St. Louis, special representative of the Western Actuarial Bureau, will address a public meeting.

Canadian 1935 Valuations

The Canadian insurance department will accept as the basis for valuation of securities in the 1935 annual statement either market value or this:

"For bonds, debentures and stocks, (a) held on Dec. 31, 1934, and not since disposed of, the values authorized as at the said date; (b) Acquired since Dec. 31, 1934, the purchase price or book value as at Dec. 31, 1935, whichever is the lower."

If the latter system is used, the companies should apply an amount at least equal to the amount of the net book value surplus earned during 1935 to write down the book values and reduce the authorized values of securities or other assets or to create reserves against the same. A company using this basis will be prohibited, for the year 1936, from increasing its present dividend scale either to stockholders or policyholders.

The department suggests that in cases in which the aggregate market value of securities exceeds the aggregate book value, the excess be not extended so as to increase the book value surplus shown in the statement.

Schroeder Interests Cleared

Insurance people are interested in the report of the master in chancery to Federal Judge Geiger at Milwaukee holding that a committee representing bondholders of the Schroeder hotel had resorted to fraud and deception in an attempt to force liquidation of the hotel.

The matter is important insurance-wise because the Chris Schroeder & Son, Co. is an important insurance agency of Milwaukee.

Among other things, the master found that allegations of the committee that money paid by the Hotel Schroeder Company to Chris Schroeder & Sons was wrongfully used, were false.

Miscellaneous Notes

The A. M. Opsahl Insurance Agency of Brainerd, Minn., will continue under that name with W. M. Opsahl in charge. A. M. Opsahl, founder, died recently.

The public speaking class of the Sunflower Blue Goose puddle at Wichita held its first meeting under the direction of A. N. Booth. Classes will meet Monday evenings. Special training will be given on insurance and fire prevention subjects.

Demonstration Shows How to Restore Damaged Goods

HOBOKEN, N. J., Nov. 27.—The extent to which scientific methods can aid in restoring damaged goods to their original condition was described for an audience of 60 adjusters and other company representatives at the United States Testing company's plant here by Charles Huber, director of laboratories. The company, he said, is constantly being called upon by insurance companies to solve new problems in connection with damaged articles, either with a view to reducing a loss to the minimum through the devising of a salvaging process, or to determine how damage in question occurred, with a view to establishing whether the company is or is not liable.

The testing company's largest field, said Mr. Huber, is in the reclamation of stained goods, particularly textiles. By evolving processes which will reclaim damaged materials and showing the mills which buy them how to apply the salvage procedure, it is possible in many cases to restore the materials to their original condition. For example, a shipment of silk was badly stained by oil. The laboratory had a few sample stockings spun from it. It was found that boiling them in a 1 percent soap solution removed the oil entirely and did not harm the stockings or impair the tensile strength of the threads.

Silk Could Be Sold

Hence, the silk could be sold with the assurance that if the stockings were made up in the regular way, then given the prescribed treatment to remove the oil, the value of the product would not be impaired.

In the field of ascertaining liability, Mr. Huber told of a claim on a shipment of men's suits which were being sent across the continent. Small holes in the coats showed up and the claim was made that they were caused by dust from dust storms in regions through which the train had passed. A microscope expert was able to prove conclusively that the fibres had been cut, not worn, and was undoubtedly a case of sabotage committed before the suits were shipped.

In another case automobile piston rings were alleged to have been damaged by sea-water in transit. Chemical test showed absence of chlorides which would be produced by sea-water and indicated that the damage was due to insufficient oiling and improper packing.

Following Mr. Huber's talk there was a question and answer period, after which guests were shown through the laboratories, which are equipped to make all varieties of tests. Many of the testing machines are made in the company's own machine shop to make special tests for which no machines are made by the usual manufacturers of testing equipment. Other similar meetings will be held during the coming months.

Test Question Is Settled

The Mississippi Insurance Corporation has joined the Jackson, Miss., local board, settling a test question which had assumed national importance—Can board companies in some sections be non-board companies in others? Formerly the corporation was not a board member, as the local board ruled it was a financial institution as well as an insurance agency, because of its investment end, known as Reid-McGee.

Clyde McGee, vice-president and general manager, has dissolved his position with the agency and is devoting his time to the investment end. H. G. McGee, former secretary now is a member of the local board, and operating the corporation.

Joseph L. Gasper, 78 years old, for many years a prominent fire insurance man in Indianapolis, died.

The A. T. Lampus & Son agency, Chester-Ninth building, Cleveland, has been incorporated.

Termite Liquid Held Cincinnati Explosion Cause

An interesting origin of fires is brought out in the loss of the Penn-Maryland Corporation and W. & A. Gilbey of Cincinnati. This is a gin distillery, bottling plant and a whisky distillery. There had been trouble with termites in the wood supports of the building. The Terminix Company of Cincinnati was engaged to exterminate the insects. The manager of the building had been given assurance that the solution to be used was non-inflammable and non-explosive. Two employees of the Terminix Company were working in the basement with an extension light hooked on the scaffolding, the lamp being protected with a light wire guard. The extension light dropped to the cement floor, the globe was broken, and the vapor was instantly ignited, it coming from the solution being used. The inspector was informed that this solution is being used in the rack warehouses of a number of other distilleries throughout the country. The Cincinnati fire department is having the solution anal-

alyzed. The fire was confined to the basement and was extinguished in about two hours.

New Deal in Alberta

Following the recent election in which a new "social credit" group was swept into power in Alberta, Henry Brace, who has been in the employment of the provincial government since 1917, is being retired from the post of superintendent of insurance and fire commissioner, which he has occupied in recent years.

The insurance post in Alberta has been under the provincial treasurer. The new government announces that it will be transferred to the provincial secretary's department, the deputy provincial secretary assuming the duties of superintendent of insurance and fire commissioner. This office is filled by Edmund Trowbridge who will therefore represent Alberta officially in insurance matters.

Miscellaneous Notes

A dividend of 50 cents a share has been declared by the Fidelity & Guaranty Fire, payable Jan. 2 to stockholders of record Dec. 23.

General Underwriters has been incorporated at St. Paul, Minn., by Oscar M. Sullivan and E. G. Quamme. Mr. Quamme at one time was president of the federal land bank of St. Paul.

Tips of the Month

NOVEMBER, 1935

SAGITTARIUS. Representing Chiron, half man, half horse. Chiron's arrows went straight to the mark and he was famous for his knowledge of medicine, music, and education. May your sales arrows this month be as effective.

Conducted by the BOSTON and OLD COLONY INSURANCE COMPANIES
37 Kilby Street, Boston, Massachusetts



One more month and 1935 will be a memory. To make it a pleasant memory, you will have to make each day count. Study yourself, your lines, your market, your competition, and your customers. Plan each day's work. And work your plan. What you accomplish from now until the end of the year will have an important bearing on your premium income. Set a mark and shoot for it.

Next month mail shipments will be heavy. Your department stores are the ones principally affected, and, accordingly, are the logical buyers of Parcel Post Insurance or buyers of additional coupon books if they already use this type of coverage. Do not overlook this bet.



It's not too early to start thinking about your Christmas greeting to customers and prospects. We suggest letters rather than the formal greeting cards, because the letter is sincere and friendly. You will need three types of letters. First, to real business friends; second, to customer acquaintances; third, to prospects. Boston and Old Colony agents will find just the right letter in their copy of "Business Building Sales Letters." Letters should be individually typewritten and signed.



Premium income is your shadow. It is the reflection of your effort in dollars and cents. If you lag, your premium income lags. If you push ahead, it pushes ahead. If you sit back and wait, it sits back and waits. If you're full of pep, it's full of pep. Whatever you do, premium income does. It always keeps in step with you. Set it a good example.

The thought of going through a winter without a fur coat, because of a loss assumes a greater importance now than the same thought in July. While you cannot get rich selling nothing but Fur Floater, if you expect to stay in business, you cannot afford not to tell your customers and prospects about it. It's a service line and an entering wedge.

EDITORIAL COMMENT

The Specialist or Multiple Salesman?

IT MAY be significant that within the past month or so three prominent insurance agencies writing fire and casualty business in Chicago have opened life departments. More significant may be the fact that FRED L. GRAY COMPANY of Minneapolis, one of the large fire and casualty general agencies of the northwest, has become Minnesota manager of the CENTRAL LIFE of Des Moines.

The effort of a number of companies allied with the LIFE OFFICERS AGENCY ASSOCIATION to create whole time life men in cities of 50,000 and over shows from the standpoint of that organization that its members believe in life insurance specialists. Yet there are many people today that are advocating insurance men writing all lines of business and being insurance counsellors for assured. Many agency executives of life companies are not sympathetic with having their men beguiled away from devoting all their time to life insurance selling, claiming that if their attention is

diversified instead of concentrated they will not accomplish much.

There are some life men that handle health and accident insurance feeling that these are all personal lines and dovetail into one another. When it comes, however, to servicing a customer in casualty, fire and automobile, the subject becomes highly controversial. The fire and casualty folks are in more constant touch with their assured owing to claims of various kinds, need for policy endorsements and changes and therefore the subject of getting an interview is not a difficult one. In a very casual way they can bring up the subject of life insurance. Some general agency offices in big cities have developed very productive life insurance departments. It can be said now, for example, in Chicago that almost all such offices are now writing life insurance through a regular department. As the future unfolds it will be interesting to note the course the production end of insurance will follow.

What Is An Insurance Agent?

SOMETIMES the things that are taken most thoroughly for granted are the things that it is most difficult, logically, to prove.

For instance, no one in the insurance business ever thinks of the ordinary insurance agent as an employee of an insurance company. Yet when the authorities in WISCONSIN had just about decided that agents were employees and should be covered under the unemployment compensation act of that state, insurance people got red in the face in

their efforts to make politicians realize the distinction that is manifest to those in the insurance business.

Now, it becomes necessary to submit to the DISTRICT OF COLUMBIA authorities lengthy explanations of what is an insurance agent, in order to prevent a ruling being made there that agents are employed persons that come under the unemployment compensation act.

The interesting feature is the number of words it takes to explain such a simple thing.

Interest in Surplus Item

STOCK insurance companies are somewhat concerned about the reported activity of the TREASURY DEPARTMENT concerning accumulations of surplus. Section 102 of the income tax law authorizes the TREASURY to impose a special tax on corporations that retain the earnings of the company as surplus instead of paying them out as dividends, which would be subject to surtax in the income of stockholders. Besides dealing with holding or investment companies the section provides that "the fact that the gains or profits are permitted to accumulate beyond the reasonable needs of the business shall be prima facie evidence of a purpose to avoid surtax."

It is doubtful if there is anything in this provision that is threatening to insurance companies. An insurance company is engaged in the sale of security. Every dollar it can add to its surplus is directly employed in the business of the company, because it adds to the salability of its product

and helps to increase the business of the company. It is hard to conceive of an insurance company having surplus that is not useful in its business.

An indirect effect on the insurance business is among the possibilities. With the vigorous attack on personal holding companies being waged by the administration, it is conceivable that some capitalist might choose to put his securities into an insurance company, to be operated on an extremely conservative and safe underwriting basis. An insurance company has been compared to an investment trust. So far, however, it has not appeared that any company was being used as a personal holding company by a wealthy stockholder or group. Possibly the intense publicity that beats upon every transaction of an insurance company has been a deterrent.

It is possible that with personal holding companies now being subjected to the intense scrutiny of the Treasury Department,

wealthy men may turn to insurance corporations as in some degree protected from the harassments of the tax authorities. This might result in the formation of new and seemingly unneeded companies. There is no lack of insurance capital now in the

field to handle all available business, but the fact that an insurance company, more than almost any other corporation, can legitimately build up surplus may prove attractive to capitalists on the lookout for opportunities.

Results from Creative Salesmanship

A. E. REDDING of Hartford, field supervisor of the AETNA CASUALTY & SURETY, in charge of the sales course at its home office, spoke before the NEW YORK INSURANCE SOCIETY and called attention to the opportunities for liability insurance, aside from automobile, through creative work on part of industrious, resourceful salesmen. Mr. REDDING made an interesting statement in which he said that in recent months the greatest percentage of gain in sales, as the statistics of his company show, come from those forms of casualty insurance which call for creative selling effort. Therefore he concluded that insurance salesmen are studying their business with greater intelligence and vision. They are recognizing the opportunities along specialized lines and

are giving their attention more and more to those classes where there is the greatest hope for increased volume.

The creative salesman finds his least competition in the particular field where a higher order of intelligence and salesmanship is called for. Salesmanship in these lines carries serious responsibility for the agent must be able to visualize the needs of a client carefully and accurately. He strikes the line of least resistance where a higher order of service is required. Competition is not nearly so keen where creative salesmanship is brought into play. Sharper competition is found in those lines more commonly known to the public. The creative insurance salesman has the chance to do real programming for his customers.

PERSONAL SIDE OF BUSINESS

Chester B. Roberts, vice-president of the Roberts Company, Milwaukee, was elected president of the North Shore Country Club there.

The November issue of "Esquire," a monthly men's magazine, has nominated Robert W. Mitchener of Hutchinson, Kan., as the discovery of the month. This is in connection with the publication of a story he wrote. He is a son of Bert Mitchener, prominent local agent of that city, who is one of the wheelhorses in the Kansas Association of Insurance Agents.

One hundred prominent financial and legal men honored Hartley D. McNairn, newly appointed insurance superintendent of Ontario, at a gathering in Toronto. A. W. Roebuck, who as attorney general of the province is the minister in charge of insurance, spoke highly of the services which had been rendered by the retiring official, R. Leighton Foster. He praised Mr. McNairn's ability.

R. P. Hartley, formerly deputy attorney-general and superintendent of insurance of New Brunswick, and Walter W. V. Foster, a member of the New Brunswick assembly, have formed a law partnership in St. John, N. B.

Frank Booth, Clearwater, Fla., head of one of the oldest and most important insurance agencies in the state, has been named to head up all welfare organizations, government and otherwise in his section of the state. He has been a member of the legislature several terms and frequently chairman of the insurance committee of the house.

Howard A. Archer, special representative of the Franklin Fort reinsurance companies of Newark, N. J., who has been contacting with local agents in the central west, has returned to Chi-

cago from Rochester, Minn., where he has been under treatment at the Mayo Clinic for six weeks due to an infection of his leg. For a time it was feared amputation would be necessary. Mr. Archer formerly traveled in the west for the Meserole companies and at one time was an agent at Paris, Ill.

Frank Ingersoll, secretary of the National Automobile Theft Bureau, is confined to Fabiola Hospital, Oakland, Cal. Seriously ill, he is doing as well as can be expected following several emergency blood transfusions.

Arthur A. Clarke, 77, charter member of the New England Insurance Exchange and its secretary from 1884 to 1888, and also from 1912 to 1917 manager of the General Adjustment Bureau in Boston, died in Los Gatos, Cal. Mr. Clarke was one of the outstanding figures in Boston insurance circles for many years. He began as a clerk in the Shawmut Fire and went with the Commercial Union in 1878, later becoming special agent of the company. Later he was with the New Hampshire Fire. After some years with the Factory Mutuals as an adjuster he became an independent adjuster until failing health compelled him to go to California. He leaves a wife and daughter.

Rodney Davis, United States manager of the Swiss Reinsurance, has been visiting Chicago and some of the middle western cities.

R. P. DeVan of Charleston, W. Va., has rallied somewhat from the heart attack that appeared at first to render his condition hopeless. He is still being attended by three specialists and is not seeing visitors. Mr. DeVan is a former mayor of Charleston and is a past president of the National Association of Insurance Agents. He is associated with one of the three largest insurance agen-



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cies in West Virginia. The attack came after Mr. DeVan had attended a football game a week ago Saturday.

The engagement of Miss Lois Gantert, daughter of Frank A. Gantert, president of the Fidelity & Guaranty Fire, of Baltimore, and of Mrs. Gantert, to Curt H. G. Heinfeld, Jr., has been announced. Miss Gantert was graduated from the New Jersey College for Women in 1933. Mr. Heinfeld, following graduation from Rutgers University, attended Chicago University Law School. He is a judicial bond investigator with the United States Fidelity & Guaranty. After their wedding, Nov. 30, the young couple will reside in Boston.

The Kansas City "Star" in its rotogravure section last Sunday printed a page of pictures taken by R. Bryson Jones of the Kansas City Fire & Marine and of the well known R. B. Jones & Sons general agency of Kansas City, while on a Mediterranean cruise. A number of Syrian scenes are shown, among them a picture of Mr. Jones chatting with a Syrian sheik.

John L. Mylod, secretary of the North British & Mercantile at the New York head office, is bereaved by the death of his mother.

Commissioner Johnson of Mississippi has a blue uniform heavy with gold braid, and a shiny new gold badge, due to his appointment as colonel on the staff of the incoming Mississippi governor, H. L. White. The badge was presented by the state fire marshals, who designated him as "Chief Fire Marshal."

The Washington General Agency, Seattle, will move to the Douglas building Dec. 1.

The Seattle Blue Goose dance, according to W. H. Marks, most loyal gander, will be held at the Seattle Yacht club Dec. 7. A. E. Campbell will be in charge.

Thanksgiving 80 Years Ago

On Thanksgiving Day this week, Rogers Van Gilder of Knoxville will have filled out a period of 80 years representation of the Phoenix of Hartford, started by his father, John S. Van Gilder in 1855. Eighty years' representation of one company under two generations is an unusual record.

The Phoenix of Hartford is reproducing a letter written in long hand to John S. Van Gilder by S. L. Loomis, who was then president of the Phoenix, dated Nov. 28, 1855. It is as follows:

Letter Is Given

"We recd., in due course, the sheet with interrogations duly answered. Enclosed we hand you commission as the agent of this Co. One good use of putting such inquiries as are printed on the sheet we sent you is it calls to the attention of an agent certain points which we deem important to know about before we establish an Agency, as for example just such places as Gay street. It brings to an agent's mind, what we are thinking of, and HE will think of them afterwards, as he may be called upon to write in such places. Your report of Gay street that gives the impression that it is a combustible range on both sides, and if a risk were taken there it might be exposed by some 30 or 40 others, hence, it would be impossible to get an adequate prem. and therefore we could fairly expect no profit to result from such writing. It used to be the practice once before awful conflagrations were so much in vogue, to rush into such places for about 2½ percent, when in fact, by any conservative rule, it was worth 10 percent. As an agent passes around his field, he will naturally bear in mind his vocation, and be on the lookout for what constitutes good and bad risks. By this process he is all the while disciplining his judgment for the better

ANSWERS

By J. C. O'Connor, Editor
National Underwriter's F. C. & S. Bulletins

Question—What is meant by "general average" in cargo policies?

Answer—The Home of New York in its house organ gives the following answer: "A general average loss is one arising out of sacrifices made or extraordinary expenses incurred for the preservation of the entire venture, that is, ship, cargo and freight monies and these interests are assessed proportionately. A sacrifice to protect all the common good must be voluntary and extraordinary, not the ship alone or the cargo alone, because any sacrifice or expense for the individual's interest cannot be won for the common good but solely for the specific interest, and thus would not be of the nature of a sacrifice for the common good of all. Hence unless a sacrifice is for the benefit of all interests no recovery is made in general average, the latter as previously stated, calling for the voluntary or extraordinary sacrifice or expense to preserve the entire interests."

* * *

Question—What companies will enter into contracts with newspapers for accident policies whereby subscribers get these contracts if they are readers or subscribers?

Answer—The chief companies issuing accident policies for newspapers are the North American Accident Insurance Company, Rookery building, Chicago; Washington National Insurance Company, 1737 Howard street, Chicago; Federal Life Insurance Company, 168 North Michigan avenue, Chicago; Great Northern Life Insurance Company, 110 South Dearborn street, Chicago, and National Casualty Company, Majestic building, Detroit.

performance of duties he has assumed. He will not only survey what constitutes the peculiar hazard of divers property, and whether the owner or occupant is deriving such a revenue from his house or merchandising as would make him careful for its preservation. Also how far a fire would probably extend if it should break out by night or by day, under ordinary or very unpropitious circumstances, as high wind, or a very dry time. Just such times do come over all places, and it is well to think of them in advance.

"In about two weeks we shall have a book for agents containing hints and suggestions to aid the judgment of agents in conducting the business, and as your applications mean time will probably be of the ordinary class of property, we do not go into detail in this communication on subjects there treated of. When you get the book, we ask for it a full and careful perusal. It won't hurt you, even if it does you no good.

Investments Were \$70,000

"In our letter of 25th Octo. we advised you all that is necessary in regard to the company, and its mode of operation. Since then, our investments have been augmented, so that they now reach about \$70,000.

"Jas. Nash, Esq., is our agent at Nashville, and Milton & Smither, Memphis. We have only three agencies in Tennessee.

"We send the blanks and record book for opening the agency by Xpress, and the transportation is paid thro. We send you the receipt, lest the company should mount you for transportation there, which is too often the case."

The Fire & Marine Club made up of some 360 home office employees of the St. Paul Fire & Marine held a dinner dance in St. Paul.

Celebrating 70 YEARS of SERVICE

1865

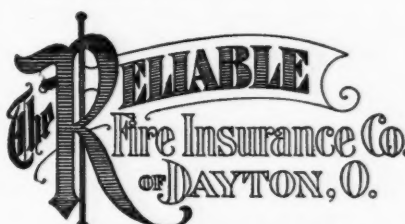
1935

ARE YOU THE KIND OF AN AGENT THAT RELIABLE IS SEARCHING FOR?

Are you hoping to build a substantial future through the sale of fire protection? Can you cooperate effectively with a company that supplies a great deal of friendly assistance? Can you visualize the advantaged of selling insurance backed by a 70-year-old company, and can you sell these advantages? If you are reasonably sure of your answers to these questions, write today for more information.

RELIABLE is noted for:

RELIABILITY
FINANCIAL
STABILITY
PROMPT PAYMENT
OF EVERY HONEST
CLAIM
COOPERATION
WITH ITS AGENTS



An Independent Ohio Company with a current surplus to Policyholders of \$1,064,871

Wm. F. Kramer, Secretary

SPECIAL AGENTS

For Ohio
Harry J. Favorite
Michael Kraus

For Indiana
C. R. Dobbins

STATEMENT AS OF DECEMBER 31, 1934

ASSETS

Mortgage Loans	\$ 97,850.00
*Bonds	3,456,030.00
*Stocks	3,889,162.00
Premiums in Course of Collection.....	680,711.83
Interest Accrued	39,301.75
Cash on Deposit and in Office.....	874,957.36
Missouri Premiums Impounded.....	63,861.08
	\$9,101,474.02

LIABILITIES

Unearned Premium Reserve.....	\$3,836,286.86
Unadjusted Losses	254,537.00
Reserve for Taxes and Other Claims.....	225,000.00
Missouri Impounded Premiums.....	62,828.40
Capital Stock	\$1,000,000.00
Net Surplus	3,722,821.76
†Surplus to Policy Holders.....	4,722,821.76
	\$9,101,474.02

*Valuations on basis approved by National Convention of Insurance Commissioners.
†On the basis of December 31, 1934. Market Quotations for all Bonds and Stocks owned, this Company's total admitted Assets would be increased to: \$9,128,716.02 and Surplus to Policyholders.....\$4,750,063.76
Securities carried at \$62,899 in above statement are deposited as required by law.

HARRY H. CLUTIA, President

THEODORE PLESSNER, Vice Pres. & Treas.
WILLIAM WILLIAMS, Secretary
ROBERT L. PARSONS, Secretary

GARRETT A. GOETSCHUIS, Secretary
RICHARD W. WETZEL, Asst. Secretary
CHARLES H. CONKLIN, Asst. Secretary

Incorporated 1897

Northern
Insurance Company
of New York.

83 MAIDEN LANE, NEW YORK

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

New Wisconsin Boards Form

Ketchum Elected at Wisconsin Rapids, Knutson at Stevens Point, and Kieson at Fort Atkinson

WISCONSIN RAPIDS, WIS., Nov. 27.—The Insurance Underwriters Association of Wood County was formally organized at a meeting of local agents here. Officers elected were J. E. Ketchum, Marshfield, president; Lille Gebert, Milladore, vice-president; N. M. Daly, Wisconsin Rapids, secretary-treasurer; J. P. Button, Nekosa; Hugo Wegener, Marshfield; B. E. Boles, Wisconsin Rapids, directors. The Wisconsin Association of Insurance Agents was represented by Hugh A. Bird, Beaver Dam, president, who discussed the advantages of local board and county unit organization and told of the successful operations of the Dodge county association which is the pioneer county unit in Wisconsin and of which Mr. Bird was one of the organizers and is a past president. Field men of stock companies who are cooperating with the state association in developing board organizations throughout the state, were represented by D. W. Swanson, St. Paul Fire & Marine, and Fred W. Weineck, Home of New York.

PORTAGE COUNTY ORGANIZED

STEVENS POINT, WIS., Nov. 27.—A. G. Meredith, Oshkosh, state agent Fire Association and president of the Wisconsin Fire Underwriters Association; Fred W. Weineck, Home of New York, and D. W. Swanson, St. Paul Fire & Marine, attended a meeting of local agents of the county here to assist in the formal organization of the Insurance Underwriters Association of Portage County. Officers elected were I. T. Knutson, Nelsonville, president; H. A. Scribner, Stevens Point, vice-president, and H. E. Sievwright, Stevens Point, secretary-treasurer.

ORGANIZE COLUMBIA COUNTY

PORTAGE, WIS., Nov. 27.—Agents throughout Columbia county held a dinner meeting here to take preliminary steps in organizing a new county-wide local board. William Sarbacker, prominent agent, is temporary chairman. Benefits of organization by county units and successful operation of such boards already organized were explained by Hugh A. Bird, Beaver Dam, president Wisconsin Association of Insurance Agents, and several field men of stock companies.

ORGANIZE FORT ATKINSON

FORT ATKINSON, WIS., Nov. 27.—The Insurance Underwriters Association of Jefferson County was organized at an agents' meeting. Following dinner, the purposes and benefits of county units were discussed by leading agents, fieldmen and Fred J. Lewis, Milwaukee, past president Wisconsin association and Wisconsin national councillor. The following officers were elected: President, Clarence Kieson, Jefferson; vice-president, Robert Aspinwall, Fort Atkinson, and secretary-treasurer, F. C. Kellerman, Watertown.

Darrell Jones, former assistant welfare director of Ohio, who has been associated with Marshall Field & Co., Chicago, has assumed charge of the M. J. Reese Agency at Newark, O. Mr. Reese, who was Mr. Jones' father-in-law, died a few weeks ago.

Many New Members Added

Ohio Agents' Association Largest in Its History—Successful Drive Has Been Completed

The statewide membership campaign of the Ohio Association of Insurance Agents proved very successful. After inspecting returns, G. C. Webb, Lima, chairman membership committee, and J. A. Lloyd, association secretary, stated that 540 members were added, representing 108 agencies, making the largest membership in history. Two more one-day campaigns will be attempted.

The board of trustees has been asked by President Francis P. O'Connor, Lima, to meet in Columbus Dec. 9.

SIXTH DISTRICT TO MEET

Agents of the 6th district in northwestern Ohio will hold their quarterly meeting at the Elks club, Findlay, Dec. 4. Arrangements have been completed by G. Nearing, Bowling Green, president, and Miss Mary Bogart, Tiffin, secretary, in conference with P. W. Kridler, Fremont, state association trustee. P. K. Tadsen, Port Clinton, former local agent and Ohio Farmers director, will speak on "The Agent—What Are His Responsibilities?"

Iowa Mutuals' Organization Annual Convention Held

DES MOINES, Nov. 27.—Otto Walther, Waverly, was elected president Iowa Association of Mutual Insurance Associations at its 55th annual meeting, succeeding W. C. Children, Council Bluffs, named delegate to the national association convention in 1936.

Other officers elected were: O. T. Wilson, Mt. Pleasant, vice-president; directors: F. H. Hurst, Hampton; A. T. Istad, Decorah; Harold Evans, Des Moines; F. J. Thielen, Exira; L. E. Sweedler, Williams. H. L. Gross was reelected secretary-treasurer by the directors.

A resolution adopted on motion of J. L. Fober, Cascade, authorized expenditure of \$500 to be used in combatting adverse legislation in the next Congress, particularly income tax and securities legislation.

Two new standing committees, the standard policy and building manual committees, were added.

On recommendation of the resolutions committee, a resolution branding valued policy legislation a menace to mutual insurance, was adopted. Boards of supervisors were urged to adopt rural electrification regulations for rural districts to aid in fire prevention.

Clarifies Ohio Department's Position on Examinations

CLEVELAND, O., Nov. 27.—Office employees who solicit insurance or issue policies in any way must take out a solicitor's license, Raymond Rhoads, assistant superintendent Ohio department, stated before the Insurance Board of Cleveland and other insurance organizations, speaking on "Developments Concerning Examinations for Licenses."

Office help may refer prospects to a licensed agent or solicitor in the office. The present law strictly forbids unlicensed help from writing policies, collecting premiums or doing such business with the public, he said. He recommended that all employees who so con-

tact the public take out solicitor's licenses.

To date it has cost the department about \$5 per applicant to give examinations. He requested that applicants be made to take their examinations within 30 days from the time that application is filed. Out of 160 taking the examinations to date, 145 have passed.

Moderate Per Capita Loss in Detroit, But High Per Fire

The National Board has issued a report on Detroit showing that the gross fire loss for the past five years was \$14,581,338, the loss per capita being \$1.94, "a moderate figure," and the loss per fire \$659, "a high figure."

The water supply works are declared to be adequate and reliable; sufficient quantities for engine supply are available in most districts; small mains or low pressures limit supply in some sections. The high pressure system is of great value. There is a powerful and efficient fire department, well manned and equipped. The fire alarm system is adequate and reliable.

In the central and northern portions of the congested value district, a considerable proportion of the construction is fire-proof or sprinklered and there are a number of wide streets and open spaces, so that fire should be confined to the group or block of origin. In the southern portion of the district, older buildings, weak in fire-resistive features, greatly predominate and fires could cross one or more of the narrow streets and involve several blocks. The fire fighting facilities are good, so that fires should not involve any considerable portion of the district.

Serious group fires are probable in the manufacturing and minor mercantile districts.

Iowa Insurance Department Tightens Up on License Law

DES MOINES, Nov. 27.—The Iowa insurance department has announced it will hold all companies responsible for failure to abide by "the letter and spirit" of the Iowa law on licensing of agents. The department stated that particular attention is called to the section on account of numerous complaints as to its violation in a number of ways: first, by life companies in authorizing solicitation by new agents without procuring licenses for them until business has actually been produced in substantial volume; second, by companies other than life in placing business through individual agents not licensed for their particular companies and later obtaining a license for the agent or issuing the policies through another licensed agent; and also for failure to obtain licenses for all company representatives who solicit or assist in solicitation. Such practices hinder the department in the discharge of its responsibilities where particular transactions are called in question, and the notice is given to end irregular practices.

Missouri Committee Named

The Fire Underwriters Association of St. Louis has appointed a special public relations committee to present and interpret facts about the new fire and windstorm rates put into effect by the stock companies effective Nov. 11.

The General of Seattle has been publishing in Kansas City papers advertisements addressed to "Fire insurance buyers of Missouri." The General, during the course of the rate litigation in Missouri, has not been charging the 16½ percent increase that most of the stock companies have been charging. "Insist upon your insurance being

placed in the stock company that led the fight for lower rates, and has used lower rates in the past," the advertisement of the General urges. The names of agents of the General of Seattle appear in the advertisement.

Intervening petitions in the fire rate suit probably will not be filed until Dec. 31, according to W. J. Gresham, one of the attorneys representing a large group of policyholders.

A. L. Arnold, clerk of the federal court, said hearings on the intervening petitions would be held in Jefferson City, and that they might be filed either in Kansas City or Jefferson City.

Insures with State Fund

LANSING, MICH., Nov. 27.—Forced by an interpretation of the state attorney-general to abandon insurance on its huge liquor stock with private carriers, the liquor control commission made the necessary filings to place the Lansing warehouse stock with the state fund, amounting to \$2,400,000. This coverage was formerly maintained with the Boston and Phoenix, but ruled invalid under a law requiring all state property to be insured with the fund. Actual value of the Lansing stock alone is said to be near \$3,000,000.

The liquor commission will pay a low rate for the fund's protection, but in view of the fact that the fund has only \$645,000 assets, agents believe the bargain rate fully justified. The stock companies had been carrying the line, a sprinklered risk, at 12½ cents. The fire fund will allow a 65 percent discount from the rate fixed by the Michigan Inspection Bureau.

Premium Tax Levied

SOUTH MILWAUKEE, WIS., Nov. 27.—The Wisconsin Industrial Commission has issued a certificate of qualification to the fire department on its fire fighting facilities and personnel to afford proper fire protection for the city while part of its equipment is furnishing protection to Carrollville. The certificate, issued in accordance with chapter 495 Wisconsin 1935 laws, entitles the department to receive 3 percent of all fire insurance premiums paid on Carrollville risks. Heretofore the insurance companies were not required to pay a premium tax on these risks. The new law is applicable to other communities and departments with a similar arrangement if the qualifications are approved by the commission.

Beckwith Cincinnati Speaker

CINCINNATI, Nov. 27.—In line with its policy of bringing in specialists on various phases of fire insurance to address the property insurance course at the University of Cincinnati, the Cincinnati Fire Underwriters Association called on R. M. Beckwith, fire protection engineer of the Western Actuarial Bureau at Chicago. Mr. Beckwith talked on "Common Fire Hazards" at the last session. Some of the chemical aspects of fire were shown by demonstration in the classroom.

New Public Building Rates

New reduced rates on churches, schools and public buildings have been announced by the Michigan Inspection Bureau, amounting to about 20 percent in most instances. The new basis and contents schedules on fireproof construction are 20 cents and 4 cents, respectively; on brick construction, Class 1 to 8 inclusive, 30 cents and 50 cents; Class 9 and 10, 40 cents and 60 cents; on frame construction, Class 1 to 8, 75 cents on the building and Class 9 and 10, 80 cents. Contents continue according to the Standard Table for buildings of D construction. The new rates apply

only to new policies. When a request for rating is received from an agent, the bureau insists that all agents of record on the risk must participate in the request.

Lower Rates Asked

DETROIT, Nov. 27.—Because of the high water pressure available with the going into service of the huge Springwells pumping station, perhaps the most modern and expensive in the world, Detroit fire rates should be reduced, A. C. Wallich, retiring president board of water commissioners, declared in a letter to Mayor Couzens. He suggested that steps be taken to reduce the rates.

Larger Wichita Quarters

The Wichita office of the Western Adjustment has moved to larger quarters at 417-18 Wheeler-Kelly-Hagney building. George M. Montgomery, manager, announces the addition of two new staff adjusters, G. R. Hanselmann,

recently transferred from the Kansas City, Mo. office and G. T. Corbett, who was sent to Wichita in May from Sioux City, Iowa at the time of the heavy hail losses, who will remain with the Wichita staff of five adjusters.

Middle West Notes

The Pilon Agency of Fond du Lac, Wis., has been incorporated by Joseph E. Pilon, M. C. Pilon and M. Braun.

Carrie McClintie, local agent at Beloit, Kan., for the past 13 years, died recently. The agency has been sold to Ross & Ross, a real estate firm in Beloit.

E. C. White and J. I. Martin have formed White & Martin to engage in real estate and insurance at Sixty-second and Oak streets, Kansas City, Mo.

The Wallace-Bernie agency, 318 Stephenson building, Detroit, has been incorporated by C. M. Boutell and M. E. Boutell, Flint, and B. W. Butler, New York City.

The Wichita Insurers held a joint meeting with the Wichita chamber of commerce to hear Dr. Hugh S. Magill, Chicago, president American Federation of Investors.

IN THE SOUTHERN STATES

New Tobacco Reporting Form

Kentucky Actuarial Bureau Issues Contract Covering Warehouseman Liability on Loose Leaf Floors

LOUISVILLE, Nov. 27.—The Kentucky Actuarial Bureau has issued a reporting form for covering the warehouseman liability for tobacco on loose leaf floors. This is applicable to Kentucky and will also be used in Tennessee. It is known as single state reporting form 161-T. It follows single state reporting form B with changes in the form to take care of the conditions which are peculiar to the particular industry.

Under single state reporting form B, monthly reports of weekly averages are called for, whereas under the tobacco form, the requirement is for report of "the average of the total daily sales and (or) resale (said average sales) and (or) resale value to be determined by dividing the total amount of sales for the month by the number of sales days in that month (of such property during each month at each location and the daily average of any other insurance in force during each month at each location).

Revised Application Blank Is Proposed in Oklahoma

A revised application blank for policy-writing or soliciting agents when seeking an Oklahoma license has been submitted to the Oklahoma insurance board for approval. The blank was compiled by a committee of casualty and fire agents appointed by Secretary S. W. Philpott of the board, and will be the basis on which a permanent form will be adopted by the board Dec. 3.

Secretary Philpott sent a letter enclosing copy of the form, to all special, general and local agents, asking for recommendations and criticisms. The board hopes by means of the blank to have complete data on every agent in the state. The form is more of an examination than an application, since the agent must make affidavit.

Place Kentucky Public Cover

LOUISVILLE, Nov. 27.—The department of public property board has ordered the renewal of \$4,640,000 in fire and tornado insurance on state properties in Frankfort, Ky. Present insurance expires Dec. 1 and provides for \$2,320,000 in fire insurance and \$2,320,000 in tornado insurance on the state capitol, the executive mansion, the capitol power plant, the old capitol, the old executive mansion and the state highway department garage. Sam English,

secretary of the board, said contracts are placed by various members of the commission.

Mississippi Meeting

Four districts of the Mississippi Association of Insurance Agents met at Newton, and Commissioner J. H. Johnson spoke on the state insurance commission's work. W. S. Smylie, Meridian, led a round table discussion of a new comprehensive policy for automobile coverage.

Aid in Oklahoma Valuation

OKLAHOMA CITY, Nov. 27.—Insurance for each piece of county property at its valuation level is being worked out by the Oklahoma county commissioners in a survey of all such property in the county. The work is being aided by a committee of the Associated Fire & Casualty Underwriters. It is the hope to relieve this situation from the confusion that has existed for a great many years, and was becoming more complicated.

Louisiana Sessions Held

BATON ROUGE, LA., Nov. 27.—Current agency problems were discussed by members of the Louisiana Insurance Society at four regional sessions in Alexandria, Monroe, Shreveport and Rayne. Terrell Woosley, president, and R. Lea McClelland, manager of the Louisiana Society, spoke at all of the meetings. Arrangements for meetings in Regions five and six are yet to be completed.

Falk in Oklahoma City


W. L. Falk, manager brokerage division Liverpool & London & Globe, spoke to the Fire & Casualty Insurance Agents of Oklahoma City on "Mutual Competition." Mr. Falk was guest of E. R. Ledbetter, for a few days, and had conducted an agency meeting previous to the association's event.

Cravens, Armstrong Talk

The San Antonio Insurance Exchange had as its speakers James Cravens of Cravens, Dargan & Co., Houston, and J. W. Armstrong, past-president, Taylor, Tex., and at present procurement officer of the PWA for the San Antonio district.

St. Petersburg Agents Active

ST. PETERSBURG, FLA., Nov. 27.—The St. Petersburg Insurers Exchange will pay the dues of its members to the Florida Local Underwriters Association out of funds derived from commissions on municipal business. This will make its membership coextensive. Lawton Swan is president. The annual convention of the Florida Local



ORGANIZED 1869

CASH CAPITAL \$3,000,000.00

OLD MAN OF THE MOUNTAIN

NEW HAMPSHIRE FIRE INSURANCE CO.

Manchester, N.H.

ASSETS... \$15,606,912.87

LIABILITIES EXCEPT CAPITAL
\$ 5,347,824.65

POLICY-HOLDERS' SURPLUS
\$10,259,088.22

VALUATIONS ON BASIS APPROVED BY NATIONAL CONVENTION OF INSURANCE COMMISSIONERS
SECURITIES CARRIED AT \$306,922, 10% IN THE ABOVE STATEMENT ARE DEPOSITED AS REQUIRED BY LAW

65 YEARS OF ACHIEVEMENT

1794 1935

**THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA**
PHILADELPHIA, PA.

ANNUAL STATEMENT December 31, 1934

Reserve for Unearned Premiums	\$1,658,641.67
Reserve for Losses Under Adjustment	222,651.91
Reserve for Taxes and all other Claims	152,295.71
CASH CAPITAL	1,000,000.00
NET SURPLUS	1,164,346.10

TOTAL ASSETS	\$4,197,935.39
SURPLUS TO POLICYHOLDERS	\$2,164,346.10

Actual Market Value

**Acquire
THE OLD "STATE OF PENN"**

GULF INSURANCE COMPANY

Rated A+

Policy Holders' Surplus Over \$2,000,000.00

ATLANTIC INSURANCE COMPANY

Rated A+

Policy Holders' Surplus Over \$400,000.00

Offer Unexcelled Facilities in
Fire, Tornado, Automobile (including
Liability), and Plate Glass

Address the Home Office
DALLAS, TEXAS

E. L. Flippen
President

G. G. Sheerin
Vice-President

T. R. Mansfield
V. P. and Sec.

Eagle Star and British Dominions Insurance Company Limited of London, England

A representative English Company of high
character and standing.

Prompt and intelligent service
Modern underwriting methods
A sincere agency viewpoint

Harry G. Casper
United States Manager
Carroll L. De Witt and Bert A. Jochen
Asst. United States Managers
90 John St., New York

Western Service Office
1264 Insurance Exchange, Chicago

Underwriters Association will be held in Tampa in April. The annual meeting of the local exchange will be held next month. Ninety-seven percent of the stock company agents in the city are now members.

Philpott at Ponca City

Secretary Sharpe W. Philpott of the Oklahoma Insurance Board spoke to the Ponca City Board explaining his agency clean-up program.

Read & Daniel Confer

Commissioner Read of Oklahoma held a conference in Dallas with Commissioner Daniel of Texas. He will stop in St. Louis on his way to attend the meeting of the National Convention of Insurance Commissioners in New York City.

Clapp Still on Job

B. K. Clapp, Atlanta manager Fire Companies' Adjustment Bureau, will remain in Miami until Jan. 1. It will

take until about that time to settle the losses caused by the second Florida tornado.

Southern Notes

John M. Harrison, agency secretary of the Royal, Atlanta, Ga., visited Texas field men.

Walter J. Johnson, St. Petersburg, Fla., local agent, has been elected member of the city commission there.

H. A. Pearlstone and **James T. Elliott, Jr.**, have opened an agency in the First National Bank building at Dallas.

E. Woody Clarke, president of the Oklahoma Association of Insurers, was elected vice-president of the Oklahoma City Kiwanis club.

Fire insurance rates in **Jasper, Ala.**, will be reduced 25 percent as a result of the purchase of an additional fire truck and hose.

H. E. Carpen, who has been associated with the J. G. McBride Agency of Uvalde, Tex., for several years, has become an active member of the firm.

Renaming of the following **Texas towns** has been announced by Commissioner **Mauk**: Schulenburg, Grandview, Jayton, Marlin, Mart, Crawford, Plains, Dublin, Kilgore, Hamilton, Lampasas, Jefferson, Indian Gap and Copperas Cove.

EASTERN STATES ACTIVITIES

Massachusetts Agents Protest

Executives Committee Issues Statement
on Method of Handling Foreclosed
Property of State Banks

A menacing statement has been issued by the executive committee of the Massachusetts Association of Insurance Agents, prompted by the arrangement under which the foreclosed property of state banks is being insured in a few companies, thereby removing the business from agency channels.

The statement declares that agents and brokers are not to be censured for making such a deal but as for the companies, the statement asserts: "This is one of the most glaring cases of inexcusable overhead writing that has come to the agents' attention for many years."

The menacing part of the statement is in this sentence: "The names of the companies which wrote the business are of distinct interest to the agents of the state." The agents as a whole, according to the statement, are vitally interested in the apparent disregard of territorial exclusiveness, and "it lies within the power of the said agents to show such companies that, if they write their business from outside an agent's territory, they need not look to the resident agent for business inside the agency territory. The matter resolves itself into a question of whether these companies appreciate the business they are getting from these cities where they have written a volume of business over the heads of their representatives. Apparently they do not, and it is equally apparent that, with the great surplus of company representation, agents can secure representation which will appreciate the work they do for it."

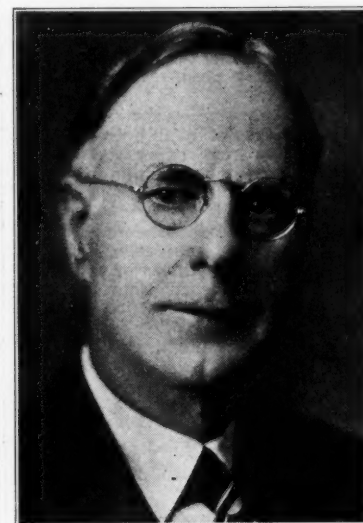
According to the statement, the agents declare it is unfair to the companies that have not entered into the agreement, not to put penalties on violating companies. The statement further declares that the agents are not content to be paid an over writing for something for which they have not issued a policy. If a simplified contract had to be delivered to the commissioner of banks, underlying policies could have been issued definitely identifying the business with the respective cities and towns and such policies could have been cleared through the local agent.

If the business has been written under a blanket form, according to the statement, the policies should have been written at the highest rates applying to any location included in the blanket cover. Consequently a greatly increased cost would have resulted. The New England Insurance Exchange is being asked to check this apparent violation.

Reelect Smith in New England

Advisory Board Holds Annual Meeting
—Dane Heads New Conference
Committee—Plan Summer Session

BOSTON, Nov. 27.—Fred R. Smith, Haverhill, Mass., was unanimously re-elected chairman and Warren S. Shaw, Brockton, re-elected secretary-treasurer



FRED R. SMITH

at the annual meeting of the New England advisory board, composed of the officers of the New England state associations.

A new conference committee to be available in connection with any meetings with the commissioners, brokers, or others, was appointed, consisting of E. B. Dane of Rhode Island, chairman; C. Waldo Lovejoy of Maine, A. B. White of New Hampshire, A. O. Mason of Vermont, Carroll K. Steele of Massachusetts and T. A. Sturgess of Connecticut.

Edwin J. Cole of Fall River, Mass., former National association president, was present and discussed various matters of importance now before the National association.

Reports showed that the last summer convention of the agents at Dixville Notch, the most remote location ever selected, was well attended and proved the most profitable, financially and otherwise, of any convention yet held. Bretton Woods and Newcastle, N. H., Poland Spring and Portland, Me., and Manchester, Vt., were considered for the 1936 annual gathering.

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ing, with a strong preference apparent for the latter place inasmuch as the convention has never been held in Vermont. A committee will report on a meeting place Dec. 6.

Philadelphia Sales Managers to Award Annual Gold Medal

Recognizing that economic problems demand a greater concentration on distribution and in order to improve sales standards and practices, the Sales Managers' Association of Philadelphia has established an annual gold medal award, Dr. H. W. Hess, Wharton school, University of Pennsylvania, stated at the organization's 25th anniversary celebration.

In giving the award, Dr. Hess said, the association aims to contribute to business the most advanced thinking in the field of sales management.

All plans submitted must originate in companies with headquarters in the Philadelphia area; however, any local branch office or agency which conceives and executes a plan in the Philadelphia area will be eligible. Plans must be submitted with the knowledge of a company executive other than the sales manager.

Berry Is Feted

Five hundred men attended a testimonial dinner for John J. Berry of Berry Brothers, Newark agency. Speakers included V. P. Bradley, Trenton, formerly president New Jersey Real Estate Commission; W. S. Schmidt, president National Association of Real Estate Boards, and D. T. Wilentz, New Jersey attorney-general.

Murray Apfelbaum, president Real Estate Board of Newark, presented to Mr. Berry a handsome inscribed silver tray.

Potter May Be Chairman

ALBANY, Nov. 27.—If the seniority rule holds in the selection of committee chairmen in the assembly, which the Republicans recaptured at the fall election, the 1936 chairman of the assembly insurance committee will be H. F. Potter of Smithtown Branch, Suffolk county. In 1935 Mr. Potter was ranking minority member of this committee.

It is anticipated that insurance will again be a featured subject of legislation in 1936.

The Democratic chairman of this committee in 1935 adopted the unique plan of having all bills which related to insurance, whether amending the insurance law or not, referred to his committee. If the Republicans follow this plan in 1936, it will mean a tremendous amount of work for that committee.

Report Pittsburgh Wants Change

PHILADELPHIA, Nov. 27.—There is a report current in Philadelphia that Pittsburgh agents are planning to follow the lead of the Quaker City agents

Prominent Association Man Starts New Agency



ALBERT DODGE

Albert Dodge, who was formerly vice-president of the Armstrong-Roth-Cady Co., of Buffalo, announces the formation of the Dodge-Ballow Agency located in the M. & T. building at Buffalo to write all classes of insurance. Mr. Dodge is national councillor and a former member of the executive committee of the National Association of Insurance Agents. For the past two years he has been chairman of the committee on publicity and education. In this important work Mr. Dodge has contributed valuable service to the agents.

Associated with Mr. Dodge will be Henry Ballow of Buffalo and New York who has a broad background of experience in the business. He grew up among the insurance offices in New York City, having been connected with the Home, and was at one time a staff adjuster at Buffalo. During the past 11 years he has been associated as an office broker for a prominent agency in Buffalo. The first company represented by the new firm is the Commercial Union of London.

in requesting that the Eastern Underwriters Association divorce the Pittsburgh Board from the middle department rating bureau. It is said that Pittsburgh agents are far from satisfied with present conditions and delayed action only because the Philadelphia men had already broached the subject to the E. U. A.

In Philadelphia, it is felt almost certain that the Philadelphia and Philadelphia suburban boards will be di-

vorced from the middle department rating bureau and the rate making powers returned to the executive committee of the Philadelphia Fire Underwriters Association.

Eastern Mutuals Meet

BALTIMORE, Nov. 27.—Judge W. C. Chesnut of the United States district court and Mayor Jackson were the principal speakers at the annual banquet of the Eastern Federation of Mutual Insurance Companies here. Judge Chesnut spoke of the insurance business as one of service which "holds out a fostering hand" to the public. He defied "anyone to show a business or profession with a higher standard of treatment of its client than the insurance business."

New England Directory Out

The Standard Insurance Directory of New England, 1935 edition, has just been published by the Standard Publishing Company of Boston. It contains information on the business in the six northeastern states with a list of agents of all classes, information on local boards and associations and lists of brokers. The cost is \$4.

Harrington Is Nominated

F. J. Harrington, O'Brien, Russell & Co., Boston, has been nominated for the presidency of the Insurance Society of Massachusetts, the annual meeting of which will be held Dec. 12.

Others nominated are: Vice-presidents, F. A. Bailey, Field & Cowles; Andrew Nelson, Kaler, Carnery, Liffier & Co.; and F. J. O'Hara, John C. Paige Co.; secretary-treasurer, F. J. Dever-

eux, Patterson, Wyld & Windeler; directors: H. A. McKenna, London Guarantee & Accident; Frank Butcher, O'Brien, Russell & Co.; William Sturgis, North British & Mercantile; and John O'Neil, Fairfield & Ellis.

The meeting will largely take the form of a testimonial to a former president, Leslie E. Knox, who the past week was elected mayor of Somerville. Another guest of honor and the principal speaker will be Commissioner DeCelles.

President Steele Appoints

BOSTON, Nov. 27.—C. K. Steele, Gloucester, president Massachusetts Association of Insurance Agents, has selected the following committee chairmen: Legislative committee, W. S. Shaw, Brockton; finances, L. U. Fuller, Lynn; fire prevention, F. R. Knox, Holyoke; accident prevention, P. J. Woodcome, Fitchburg.

Three special committee chairmen have been appointed: Qualification law, F. R. Smith, Haverhill; compensation, Frank Harrington, Boston; manager-counsel, E. J. Cole, Fall River.

Mr. Steele will chairmen the membership and conference committees.

Edward L. Walker Dies

Edward L. Walker, Bellows Falls, Vt., local agent, died. His agency was founded in 1891. He was a director of the Green Mountain Mutual.

New Association Formed

The Teaneck, N. J., Association of Insurance Agents has been formed with Floyd B. Farrant as president.

PACIFIC COAST AND MOUNTAIN

Department Reports on Work

Applicants for Agents' Licenses to Be Examined; Several Companies Withdraw from State

Companies applying for admission to California the past month were the Charter Oak Fire, Hartford and General of Italy. Proposed names of two new companies were approved: Crescent Mutual Compensation, Los Angeles, and the Certified Indemnity Exchange, San Francisco. Requests for permits to issue additional stock were received from the Pacific Mutual Life, Occidental Indemnity and Truck Underwriters Association, attorney-in-fact for the Truck Insurance Exchange.

The California department is examining 13 companies and in the past month considered 504 applications for agents' licenses on which some question had arisen. All but 85 received favorable disposition. Adjustment has been

made in 12 out of 27 complaints regarding agents and brokers.

Applicants for agents' licenses will be examined in December at strategic points in the state by the postmaster where it is not practicable to send a department examiner. Beginning Dec. 9, weekly examinations will be conducted in Los Angeles on Mondays. On Dec. 11, 340 San Francisco applicants will be examined. "Other than life" agents licensed the past month numbered 654; inter-insurance agents 20, and "certificates of convenience" issued to agents other than life totaled 161.

Companies withdrawing from California were the Mechanics of Philadelphia, Calaveras, Los Angeles and Southwestern Fire, Arizona.

Rasmussen Is Reelected

SPOKANE, Nov. 27.—W. B. Rasmussen of the Home was reelected president of the Pacific Coast Hail Conference at the annual meeting in Spokane. Dan L. Weaver, Spokane man-

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COLUMBUS
MILWAUKEE

LOS ANGELES
DULUTH
BUFFALO
PORTLAND
INDIANAPOLIS

ager of the Edward Brown & Sons general agency, was elected vice-president, and C. V. Laude of the Rain & Hail Bureau was reelected secretary.

The loss experience in Washington, Oregon and Idaho was very low but in Montana there was a loss ratio of about 80 percent.

The only change made in the rates was to provide that a cotton raiser may purchase a policy that runs from May 1 to Oct. 15 at a rate of 3½ percent. The rate is only 3 percent if the liability terminates Sept. 15.

Lentz to Assist Haidinger

David T. Lentz, Los Angeles, has been appointed to assist V. M. Haidinger, in charge of operations of Newhouse & Sayre, general agency, in southern California, working out of the Los Angeles office. Mr. Lentz was formerly with the Pacific Board.

Thomas Is Named

The W. L. Thomas general agency in Los Angeles has been appointed general agent for southern California by the London & Lancashire.

Coast Notes

Mitchell L. Peppers, independent adjuster of all casualty and marine lines at Los Angeles, has opened a branch office at Santa Barbara, at 19 E. Canon Perdido street.

Bringing its membership to approximately 100, the San Francisco Insurance Women's League showed a 45 percent gain in membership during the year just closed, retiring President Maritza Barkofsky says.

L. A. Engel, president of F. D. Hirschberg & Co., St. Louis, and Carl S. Lawton, vice-president Lawton - Byrne - Bruner Agency, have been appointed members of the federal grand jury for December.

The insurance department of the St. Joseph Loan & Trust Company, South Bend, Ind., has reorganized as the St. Joseph Agency, with offices in the J. M. S. building. G. N. Bingham is president; B. K. Patterson, vice-president, and H. R. Jellison, secretary-treasurer.

MARINE INSURANCE NEWS

Protest Laundry "Insurance"

Practice of Charging in St. Louis for Informal Coverage to Be Investigated

JEFFERSON CITY, MO., Nov. 27.—Attorney-General Roy McKittrick has announced that he will investigate the practice of certain St. Louis laundries and clothes cleaning establishments in charging insurance to protect wearing apparel and other articles. Mr. McKittrick said that if he found the companies were violating the anti-trust or other corporate laws of the state, he will file ouster proceedings against them in the Missouri supreme court.

Circuit Judge H. F. Russell of St. Louis complained to Mr. McKittrick that he understood the insurance collections by the laundries and cleaning establishments total \$100,000 annually. The judge said that he had three hats cleaned by a large establishment for 39 cents each, getting a bill for \$1.20, including 1.2 cents state sales tax and 1.8 cents for insurance. The judge said that an attorney for the cleaner told him that the company did not carry an insurance policy for the protection of its patrons. He expressed the opinion the cleaner has no legal right to make the insurance charge.

Laundry Men's Views

R. S. Rauschkolb, general manager St. Louis Laundry Board of Trade, in commenting on Judge Russell's protest, said laundries for years have charged one cent per bundle for insurance to protect patrons from loss, and that this charge represented approximately the cost of the insurance carried. Albert Morgenthaler, president St. Louis Direct Service Cleaning Plant Owners' Association, said

the general practice was to combine the state tax and insurance charge, the average charge being one cent on each 50-cent unit.

In a conference with Mr. McKittrick the laundrymen promised to study the situation for ten days and report back to him.

Barthelmes at Wilkes-Barre

In an address before the Wyoming Valley Insurance Exchange, at a recent meeting in Wilkes-Barre, Pa., A. Wesley Barthelmes, inland marine manager of the America Fore group, traced the origin of inland marine insurance from its inception to the present.

"Nothing in insurance is older than ocean marine insurance, nothing is newer or quite as modern as inland marine insurance," he said.

Ruling on Signs, Clocks

An amended bulletin has been issued by the joint committee on interpretation and complaint covering neon signs, street clocks and automatic or mechanical electric signs.

These objects are not treated in the nation-wide definition of marine writing powers. The committee states that pending further study, the writing of these objects, while in use as such under a marine policy will be proper. However, it is not permitted to write billboards or ordinarily fixed signs, whether or not indirectly illuminated by electric lights, under a marine form.

Stolen Furs Recovered

NEW YORK, Nov. 27.—The \$75,000 worth of furs which were hijacked from a truck in New York City Nov. 9 while en route to Boston were recovered by police here Monday. The furs, which were covered under a salesman's floater policy, were all intact.

Kurleman Is Ill

Jack Kurleman, marine manager of Walter P. Dolle & Co., Cincinnati, has been confined to his home since September with a heart condition. Doctors have ordered a complete rest and freedom from business worries for at least two or three weeks more.

Motor Insurance Events

Dissatisfaction in Michigan

Agents Complain That They Are Losing Insurance on New Cars to Finance Companies

LANSING, MICH., Nov. 27.—Dissatisfaction is growing among agents of the state relative to finance company forcing of automobile business and it appears that the situation is rapidly approaching a showdown. The Michigan department has so far taken no action of any sort, but there is indication that conditions will eventually be investigated.

Agents have been complaining that they are losing virtually all new car fire and theft business because of the dictation by finance companies what insurance shall be carried and where it shall be placed. There are persistent rumors that profits from business placed through finance company auspices are being used to help reduce interest rates charged and also to pay bonuses for acquisition.

Michigan law provides that only licensed agents may benefit from acquisition of insurance business and payments to other persons at the expense of insurers would obviously constitute a serious violation.

Typical of the attitude of the finance

companies is a letter recently turned over to the department in which an official of a large finance company informs a Battle Creek purchaser that his insurance must be written through its insurance company. He had maintained a previous policy but the executive indicated that this could not be transferred from the traded-in machine to cover the new car. It was explained that if he wished he might have that share of the insurance covering his interest cancelled but there would be no refund paid, the financing cost being figured to include insurance.

Urges Bankers to Enter Field

London Assurance Gets Out Booklet Giving Reasons Why Banks Should Finance Auto Purchases

NEW YORK, Nov. 27.—As a suggestion to bankers for increasing their activities and rendering a further service to clients, the London Assurance is circulating an attractively designed and printed booklet among the financial institutions. The publication, "A Profitable Thought, Mr. Banker," was prepared by Walter Meiss, executive general agent of the London, in collaboration with J. W. Mason, publicity director. Mr. Meiss has been one of the leaders seeking to secure for the agency force the placing of insurance upon financed automobiles and the booklet is a further effort to that end.

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if they will go to their local banks for financing," Mr. Meiss states: "Banks both large and small have found that because they know more about their borrowers they can finance automobile sales for appreciably less than finance companies." Losses, he says, "have been unbelievably low even among finance companies that take practically every credit risk offered. Banks lending only on good credits, cut skips, repossessions and losses almost to the vanishing point. Moreover, the automobile buyer will save money on his automobile insurance premiums by having the insurance on the new car written by the same local agent that wrote the policy on his old car."

The booklet is in the form of a playlet, in which a discussion takes place between an agent and a banker, in the course of which the mutual advantage that would accrue through cooperative effort, and the gain to clients as well, should the recommendation of the agent be followed, are pointed out.

The booklet points out a bank need not set up a special department but can handle the business by the same methods as FHA and other installment paper. The plan provides the bank shall get a

12-month note with a provision that the buyer will deposit the required monthly payments in a special savings account. The average commercial bank with about 3,000 depositors can write at least 2,000 of these loans in a two or three year period on its depositors alone.

Auto Dealer Denied License

LOUISVILLE, Nov. 27.—The insurance department has been informed that it can not legally license Breaux Ballard, Inc., Louisville auto dealer, as an insurance agent, in view of the 1934 agents' qualification law. The opinion was given by W. R. Attkisson, assistant attorney-general. Mr. Attkisson based his opinion on requirements of the 1934 act which requires that an agent's main business be that of insurance. The auto firm's attorneys had informed the insurance department that it had contemplated writing only insurance on automobiles sold by the concern.

Allstate Fire in Michigan

The Allstate Fire, one of the Sears, Roebuck & Co. concerns, has been licensed in Michigan.

East Studies New Forms in Midwest

(CONTINUED FROM PAGE 1)

that this rule will be followed if the contract is extended in that territory.

The western rating formula for the supplemental contract is criticised as arbitrary and illogical. Where the windstorm rate is 16 cents in western states, the rate for the supplemental contract is usually quoted as 18 cents, which is divided into 16 cents for windstorm and hail, one cent for explosion, riot and aircraft and one cent for smoke damage. Obviously, western underwriters are trying to protect the tornado rate and let the other coverages bear the entire reduction. In the east, explosion and riot are regarded by agents and buyers as more important than windstorm, and underwriters feel that the supplemental contract should be presented frankly as a reduction in rate for each hazard in consideration of their being bought as a unit.

The original merchandise and fixture form got off to a bad start by the inequities which its formula developed and its failure to allow proper credit for specific insurance. These complaints are still cast up against it in the east, although the latest revision eliminated the sore points. It is still a form which requires considerable explanation to producers and assured and although many leading western agencies are using it with good effect and few misunderstandings, metropolitan managers shudder at the thought of educating brokers to use it properly. There is also a feeling that the form is not needed in the east, where pro rata cancellation of specific insurance on certain fluctuating mercantile stocks is permitted up to 50 per cent of the face of the policy. Middle western jurisdictions have never permitted pro rata cancellation.

Dissenters from this view take the position that pro rata cancellation does not solve the problem of covering increases in value, that some reporting or automatic coverage form should be introduced to cover the many single location risks with fluctuating values in eastern cities and that there is danger of losing much of this business to outside competition if something of this nature is not inaugurated.

Field Men Address Agents

ABERDEEN, WASH., Nov. 27.—The Special Agents' Association of the Pacific Northwest met with the Grays Harbor Agents' Association at a well-attended meeting here. Among the speakers were A. V. Hoelting, Home; Guy Frazier, St. Paul F. & M.; E. W. Trenbath, Norwich Union; John Ohnner, Royal-Liverpool; A. V. Holman, America Fore; G. K. Hutchings, Great

American Indemnity; Howard Speer, Atlas, and W. M. Thompson, manager Washington Insurance Examining Board.

Washington Agents Steering Group Has Busy Session

SEATTLE, Nov. 27.—A discussion on fire rates was conducted at the fall meeting of the executive committee of the Insurance Agents League of Washington here, with T. L. Ross, Wenatchee, chairman, in charge. Over 20 members and local board presidents attended.

The committee decided to try to secure the commission for the state association on the Washington state liquor control board insurance. It was decided to name a committee to urge the Washington State Bankers Association to promote financing of automobile purchases by banks.

Anticipating the possibility of an increase in automobile liability rates, the committee adopted a motion opposing an increase by either bureau or non-bureau companies unless both groups first made an effort to continue the present rate parity. A new casualty contact committee was created. R. C. Jenner, Seattle, is chairman and other members are T. L. Ross, H. N. Mann, Tacoma. President G. R. Thieme heads the committee to confer with the liquor board and he is being assisted by C. P. Carroll, Spokane, and C. Ray King, Yakima.

An effort will be made to secure a revision in fur floater rates. The committee suggested that the companies writing fur risks establish a uniform minimum premium for both agents and fur dealers.

Committee reports were made by E. R. Bowden, Seattle, legislative; W. C. Meek, Seattle, school survey; J. M. Blair, Puyallup, membership; and H. N. Mann, traffic safety. Other reports were made by Secretary B. B. Hillen, C. B. White, national councillor; and Irwin Mesher, executive secretary.

Heart of America Party

Four new members were initiated into the Heart of America Blue Goose at Kansas City Monday.

Following the business meeting there was a banquet after which bridge and dancing were enjoyed.

Walter C. Chestnut, most loyal gander was master of ceremonies.

R. F. Fielder Is Married

R. F. Fielder of Kansas City, Missouri state agent Yorkshire Fire, was recently married to Miss May Samden of New York. Before going to Kansas City Mr. Fielder was for several years in the New York office.

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SALES SUGGESTIONS

Use and Occupancy Is Good Line to Solicit Today

By R. E. RICHMAN

HARTFORD, Nov. 27.—Use and occupancy insurance premiums should increase proportionately more rapidly than premiums for fire insurance itself as business conditions improve. This is the conviction of company officials based upon a study of currently written U. & O. business and market possibilities.

Many of the largest manufacturing establishments and wholesale houses have continued to carry U. & O. insurance throughout the depression. This field is not the one today to which agents must look for new U. & O. risks. Some increase of U. & O. business is apparent particularly from sections of the country which have shown the most rapid business recovery, the south and parts of the west. The new business is coming from the smaller mercantile houses and from light manufacturing plants. This is all in accord with what is known generally about the parade of business recovery in which the heavy industries bring up the rear.

Best Sources for U. & O. Insurance

In general, the agent is most likely to find his use and occupancy prospect in a business with a relatively small fixed expense and a proportionately large operating cost consisting principally of unskilled or semi-skilled labor payroll. These risks often from outward appearances seem undesirable but companies have been discovering that the very lack of pretentious surroundings and the fixed expense thus involved, is often the foundation for successful operation. Moreover these risks are superior as small loss producers because housing, raw materials and machinery may all be quickly provided for resuming work.

Additional U. & O. business will come also from present owners of this protection. In many establishments, changes for the better are now taking place almost overnight. One of the company specialists who has done much soliciting of U. & O. says that an agent today should recheck his U. & O. risks at least every three months as the agent is almost sure to find that a substantial number of U. & O. clients need increasing amounts of protection.

Should Get in Touch With Present Parade

Failure of an agent to get his share of returning U. & O. business is due chiefly to failure on the part of the agent to maintain a mental and soliciting attitude abreast of improving business conditions and failure to master an understanding of the comparatively simple basic foundation of U. & O. insurance.

Agents have been confronted so long with the major problem of collection of premiums on insurance lines already carried that they face the grave danger of failing to snap out of a defeated soliciting attitude before some rival has caught the improvement stride and walked off with the business. Evidence accumulates that people are spending money more freely. The summer tourist trade was the most impressive in years and has been the subject of extended comment. Probably nothing more definitely points to an easier spending policy. And in spite of the intense struggles of many businesses to continue existence, business failures are relatively at a low ebb and many are emerging back into the sunlight of prosperity. In the community of nearly every agent are examples of this kind. They are the prospects for new U. & O. business.

Most of the agents who have never

done anything with U. & O. have allowed themselves to be overawed by the aura of mystery and fear with which the subject is often surrounded. They do not understand U. & O. and have never even made the slight attempt at understanding which would disclose that any reasonably intelligent agent, willing to spend only a little time in study, can acquire a soliciting knowledge of the subject. While sale of any insurance line, the basic principles of which are not understood, is not to be recommended, it is surprising how much use and occupancy was sold by agents who had not mastered its fundamentals. Companies discovered that much use and occupancy went off the books during the depression because agents who had written it could not defend their position when attacked.

Companies were able to save U. & O. risks when agents wrote in that U. & O. was being cancelled because the policy holder was not making any profits and, therefore, was not in need of the coverage. In some of these instances when the company sent out special representatives to explain to the policy holder that use and occupancy insurance protected earnings even though they did not reach far enough to produce profits, the business was held.

From insurance companies and insurance publishers it is possible today to obtain simple explanations of use and occupancy insurance. Any agent who will lay aside whatever fears he may have had of tackling the subject can get a soliciting knowledge and understanding of this line by applying himself for a few hours to the study of working tools now available.

Northwest Notes

The Portland, Ore., chamber of commerce has gone on record favoring replacing the state restoration fund with fire insurance.

C. A. "Pat" Coffey, special agent London & Lancashire, addressed the Spokane Blue Goose on the Helena earthquake.

Malcolm MacLeod, Fire Adjustment Bureau, Spokane, has been transferred to Salt Lake City.

The Globe Underwriters agency has been licensed in Oregon.

Insurance Corporations Pay Heavy Tax Levies

WASHINGTON, D. C., Nov. 27.—Insurance corporations contributed heavily to the federal revenues from their 1933 income, it is shown by figures made public by the Bureau of Internal Revenue, although only 637 out of a total of 2,063 companies had taxable net income.

Total taxes collected from the industry were \$9,188,000, of which the life branch contributed \$2,451,000 and the other branches \$6,732,000 in income taxes and \$5,000 in excess profits taxes, it was reported.

In the life field, 172 of a total of 626 companies paid taxes, reporting aggregate gross income \$360,182,000, and net income \$17,841,000, while in other fields, 465 out of 1,437 companies paid taxes, having gross income \$794,727,000, and net income \$48,530,000.

A total of 420 life companies, reporting aggregate gross income \$469,193,000, had tax deficits \$48,697,000, while 856 other insurance companies, with an aggregate gross \$698,835,000, had tax deficits \$199,132,000.

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EMPLOYERS REINSURANCE CORPORATION

E. G. TRIMBLE, President

The National Underwriter

November 28, 1935

CASUALTY AND SURETY SECTION

Page Twenty-nine

Safety Council: Save 38,000 Lives

Seeks 35 Percent Reduction of
Motor Vehicle Deaths in
Five Years

NEW CAMPAIGN PLANNED

Avoidance of Tragic Massacre Last
Year Is Aim—Fatalities Can
Be Reduced

A five-year, country-wide campaign to reduce motor vehicle deaths at least 35 percent by the end of 1940, looking toward the saving of at least 38,000 lives, has been announced by the National Safety Council. The drive will start Jan. 1. The campaign, largely educational, will include a broad program of engineering and enforcement activities. Spasmodic safety drives have not in the past brought the desired permanent results. The seriousness of the problem demands a much broader program than has ever before been attempted.

Plan Broad Program

New ways of appealing to the individual motorist, to arouse a sense of responsibility and sportsmanship, will be sought. A definite state-wide school program will be recommended for each state, together with the organization of state safety councils and localized safety organizations in towns and cities. The adoption of uniform laws, including standard drivers' license legislation, will be urged, together with adequate administration of traffic laws, including state highway patrols. The standardization of accident reports will also be undertaken, as well as provisions for more complete accident statistics and their interpretation and application. The detailed engineering, enforcement and educational technique of the states and cities now doing outstanding work will be made available to the country at large, as one of the initial steps in the big program.

Opportune Time for Drive

The time is particularly propitious for a drive since the 1935 toll of death and injury promises to approximate the tragic experience of 1934 when 36,000 people were killed, and 1,250,000 others injured—of whom 150,000 will be crippled for the rest of their days. The council's resolution sets forth that this situation "presents the most serious challenge to all who believe in a well-ordered society and the sanctity of human life."

Certain states and cities through their fine programs during recent years have clearly demonstrated that such an achievement is possible. Their experience shows that motor vehicle tragedies can be not only controlled, but actually reduced. Striking examples are the work of state-wide organizations

Muster Forces to Modify Disease Statute in N. Y.

BIG MASS MEETING HELD

Strong Effort Is to Be Made to Cause
Amendment of Law at Forth-
coming Legislative Session

NEW YORK, Nov. 27.—When the legislature convenes early in the new year, a strong effort will be put forth to amend the present occupational disease law, which became operative last Sept. 1, and one effect of which has been to drive a number of important industries from the state, and to place a heavy burden upon many others.

So serious is the situation that a mass meeting for its consideration held here was attended by nearly 500 employers, underwriters, brokers and others. The net result of the gathering was the determination to appoint a committee to draft a resolution voicing opposition to the statute, and urging its early revision.

As a committee to prepare such resolution, G. P. Nichols, chairman of the legislative committee of the Insurance Brokers Association of New York, who served as chairman of the gathering, named H. H. Althoff, president Joseph Bernell, Inc., cut stone dealers; H. W. Schaefer and George Sullivan, insurance brokers; Alfred Rothchild, of Weiss & Klau, representing the Insurance Buyers Association, and H. D. Sayer, former industrial commissioner of New York, and now connected with the Association of Casualty & Surety Executives.

Sayer's Observations Significant

While determined opposition both to the occupational disease law and to the medical practices act, was voiced by a number of speakers at the mass meeting, the remarks of Mr. Sayer were especially informative and convincing. He condemned the disease law, declaring its modification must be effected in the interest both of employers and employees, and he expressed confidence that such revision would be made when the legislature next meets.

in Minnesota, Massachusetts and elsewhere. Twenty-three states have reported fewer deaths for the first nine months of 1935 than for the corresponding period of last year, including Rhode Island with a 31 percent decrease; Oregon, 16 percent; Massachusetts, 14 percent; and Minnesota, 11 percent.

The council already has a huge functioning organization ready to proceed with increased vigor under the impetus of this larger and more intensive program. The fourth year of the National Traffic Safety Contest, now under way, shows that 33 states and more than 800 cities are entered.

Pease Chief Accountant

H. R. Pease, formerly assistant chief accountant of the Travelers, has been advanced to chief accountant, succeeding the late J. F. Coughlin. Mr. Pease has been connected with the company for a number of years and is thoroughly familiar with the work.

J. Dillard Hall Gets Home Office Post with U. S. F. & G.

ASSISTANT AGENCY DIRECTOR

Co-manager of Baltimore Company
in Chicago and Highway Safety
Leader Wins Advancement

Announcement is made this week that J. Dillard Hall, co-manager in Chicago for the United States Fidelity & Guaranty, who has made a record as a business producer and who is nationally known for his effective work in behalf of highway accident prevention, has been appointed assistant agency director at the head office. He will assume his new duties in Baltimore Jan. 1.

President E. Asbury Davis observes that Mr. Hall has demonstrated unusual talent for development work and he states that these talents can be employed to the best advantage of the company through the agency and development department.

The U. S. F. & G. is now concentrating its attention on the upbuilding of its premium volume, with particular emphasis on the surety, fidelity and burglary lines. Mr. Hall is expected to fit into this program.

Mr. Hall was transferred to Chicago about two years ago from Iowa, where he had made a great production record and had started to identify himself so forcefully with the highway safety movement. In Chicago he increased his usefulness and scope of influence in the field of safety. He was appointed as a member of the Keep Chicago Safe Committee, which is the agency that has made Chicago decidedly safety conscious. Mr. Hall has appeared on the programs of many insurance conventions, mostly giving safety talks, although alternating at times with general casualty production talks.

Mr. Hall has been in the insurance business 26 years and has been with the U. S. F. & G. 19 years. He started as an agent at the age of 18 in Reidsville, N. C. Then he became general agent for the Royal Indemnity in Charlotte, N. C. Later he was appointed manager for North Carolina and South Carolina for the U. S. F. & G. with headquarters in Charlotte. Then he was transferred to Des Moines as manager for Iowa and Nebraska where he remained for nearly 15 years before being transferred to Chicago.

Eggleston Goes to Detroit; Weiss Named in New Orleans

T. A. Eggleston has been appointed superintendent of the bond department of the Aetna Casualty's Detroit office. He succeeds L. I. Lofgren, transferred to Chicago following the death of R. E. Cline. Mr. Eggleston has been connected with the company since 1925 when he joined its bond department in Chicago. Later he was Michigan special agent, and then in Pennsylvania. Since 1933 he has been superintendent bond department, New Orleans.

At New Orleans Mr. Eggleston is succeeded by C. F. Weiss, who has been connected with the company since 1925, in the New Orleans branch.

Lloyds Pact Is to Embrace Illinois

Expect Extension of Agreement
Before End of the
Year

AWAIT OFFICIAL WORD

General Deal Is Completed in Detail—
All That Remains Is Physical
Delivery

PHILADELPHIA, Nov. 27.—The form of the reinsurance agreement between London Lloyds and the individual American companies has now been entirely agreed to. The last "t" has been crossed and the last "i" dotted and the last rider containing changes in phraseology has been initialed. All that remains now to make it official is the physical execution and delivery.

The pact between the American companies and London Lloyds has been in effect now since Jan. 1 and is working to the entire satisfaction of all parties concerned.

Willing to Cooperate

London Lloyds has refrained from soliciting any new direct bankers and broker's blanket bond business. It has also evidenced a willingness to cooperate with the American companies.

At the time the pact was made, it was deemed essential to avoid delay in making it effective. For that reason, Illinois was excepted.

The delay in making the pact official with the reinsurance agreement was due in the main to the complex set-up of London Lloyds and the necessity for changing of the phraseology so that the completed document would dovetail with working methods on both sides of the Atlantic.

Better Understanding Seen

American companies feel that the new relationship is a hopeful thing for a better understanding between London Lloyds and the individual American companies.

The reinsurance agreements, with riders attached of changes in phraseology, have already been mimeographed and it is more than likely that the next trans-Atlantic mail will bring the signed agreements from London.

It is reliably reported that Illinois is being included in the agreement between London Lloyds and the individual American companies. Official word to that effect is expected in the near future and cessation of Lloyds writing new and direct bankers and brokers blanket bonds in that state is looked for by the end of the year at latest.

That Illinois was not included in the pact from the start was due mainly to the situation existing there and to the manner in which London Lloyds operates. Lloyds has between 300 and 400

(CONTINUED ON PAGE 39)

Surety Is Not Entitled to Fund, U. S. High Court Says

CONTRACT BOND DECISION

Materialmen Have Prior Claim to Ten Percent of Contract Price Reserved by Government

The United States Supreme Court in *American Surety vs. Westinghouse Electric Manufacturing Company et al.* has held that materialmen have a claim prior to that of the surety against the funds represented by the 10 percent of the contract price that is retained by the government until final completion and acceptance of all work covered by the contract.

The contract for drilling a well at the Naval Air Station at Pensacola was made in November, 1930, between Gray and the United States government. The American Surety was the bondsman. The contractor did not make payment to all persons supplying him with labor and material. The American Surety paid into court the full amount of the penalty for distribution but the payment did not satisfy what was owing to the creditors.

Laid Claim to Fund

The American Surety laid claim to the reserve percentage which amounted to \$2,724 by right of subrogation and by force of a covenant of indemnity received from the principal at the beginning of the work.

The reserved percentage was claimed by creditors on the ground that the effect of the statute, the contract and the bond was to make the equity of the surety subordinate to theirs. The government turned over the fund to the trustee in bankruptcy.

The Supreme Court held that a surety that has undertaken to pay the creditors of the principal, though not beyond a stated limit, may not share in the assets of the principal by reason of such payment until the debts thus partially protected have been satisfied in full. The American Surety draws a distinction between a general promise to indemnify and a promise whereby a specific fund is set apart or earmarked as collateral security. The supreme court said the distinction might be important if the contest were between the surety and creditors not covered by the bond. The contest is between the surety and creditors of the class it has undertaken to protect.

Equity forbids that the statutory security be whittled down indirectly by any promise of indemnity, general or specific.

Writes Bond on Destroyers

NEW YORK, Nov. 27.—The American Surety has executed construction bonds on three 1,850-ton destroyers for the U. S. navy. The aggregate contract price is \$11,547,500, and the surety \$1,747,125. Participating as co-sureties are 16 other companies with one additional carrier as reinsurer. The destroyers will be built by the Bath Iron Works, Bath, Me., which is now constructing two 1,500-ton destroyers. It is understood the larger vessels to be built will act as flotilla leaders.

Action in Mississippi

A list of 65 insurance organizations "operating without license or authority" in Mississippi has been issued by Commissioner Johnson in an open-letter to the public, warning them against the companies. The department estimated at least \$100,000 a year goes out of the state to unlicensed insurance organizations, mostly "fly-by-night" concerns. There are several companies licensed in their home states but not in Mississippi. Under the state law, 3 percent tax is levied on fire premiums and \$1 tax on each policy placed with unauthorized companies.

U. S. F. & G. Educational Work Attracts Attention

In keeping with the times, the United States Fidelity & Guaranty is carrying on extensive educational activities.

Once a month the "Pathfinder" is issued, giving up-to-date and accurate knowledge of the specific line referred to. There has been a great demand for it, not only from the agents of the company but from brokers, and also from the agents of other companies. A number of copies have been put at the disposal of the branch offices and are supplied to those who request them.

Post Graduate Courses

Beginning early post-graduate classes were conducted in all branch office cities for the benefit of agents and brokers. To these meetings were invited not only agents of the company but others of the insurance fraternity. The "Pathfinder" meetings are conducted by the managers or one of their assistants, and embrace policy coverages, claim payments, and sales.

It has been the policy of President E. Asbury Davis to send the home office superintendents into the field from time to time and give them an idea of the firing lines.

Likewise, a number of the company's offices have carried the insurance gospel, so to speak, out into the territories by means of regional meetings held at strategic points.

School of Insurance

In addition there has been established at the home office a school of insurance for U. S. F. & G. agents, their sons, and others who expect to be identified with the company. It starts with the fundamentals of insurance and covers each line that the company writes. A new class began on October 1 with a heavy enrollment. Students pay their own traveling and living expenses, but the company provides the necessary literature and free instruction. The school gives opportunity to those who intend to qualify for their work and to meet the increased demands upon them for insurance information. Diplomas are presented upon completion of the course.

To assist those unable to spare the time to visit the home office, a correspondence course began in October. The enrollment for the first course was so heavy that applications received after Oct. 30 were put forward to the next

course, which begins in February. Over 1,500 enrollments have been received.

Most of the company's literature and other activities have been keyed in with its educational work. Certain periods are given arbitrarily to the study and development of specific lines, with the understanding, of course, that the routine and general development of business is not to be neglected.

At present the branch offices are agog with activity in connection with the Davis Cup, which will be awarded for the first time next June to the office which scores the greatest number of points particularly in fidelity, surety, and burglary production. The trophy is now on display in Baltimore and later will be sent from office to office for temporary display until it reaches its final destination next June. It will stay with the winning office a year and then will be sent to the office which wins the contest in the following year.

As President Davis has said, the time would seem to be opportune for all insurance agents to pay particular attention to the development of fidelity, surety, and burglary. While desirable casualty business should not be neglected under any circumstances, there is a large and profitable volume in the older lines which can be developed with the proper effort.

F. & D. Makes Promotions in Successful Chicago Office

R. D. Searles and E. P. Schmidt have been promoted to manager and associate manager respectively of the Chicago branch office of the Fidelity & Deposit. The Chicago branch, which is under the active direction of Vice-president W. H. Hansmann, now ranks as the F. & D.'s second largest producing unit. Mr. Searles and Mr. Schmidt previously held the title of assistant manager and have been connected with the company in Chicago since 1928.

P. J. Loranger has been made manager of the American Bonding in the same office. He has been assistant manager. He has been with the company since 1927 and is well known in the surety business in Chicago.

R. E. Sturges, head adjuster of the Standard Accident, is visiting Texas.

Bay State Brokers Hear De Celles Plan Debated

GRADED COMMISSION IDEA

Commissioner Champions His Scheme, Lucas Opposes Reduction at Dinner in Boston—Resolution Adopted

Insurance Commissioner F. J. DeCelles of Massachusetts was guest of honor at a dinner of the Massachusetts Insurance Brokers Association in Boston but the fact that he was being so honored did not deter the members from speaking their mind on the commissioner's plan to establish graded commissions in the compensation field.

At the close of the meeting the Massachusetts brokers endorsed a resolution that was recently adopted by the executive committee of the National Association of Insurance Brokers unalterably "opposing the adoption of any system of reduced or graded commissions on any type of insurance anywhere." Such a reduction, the resolution maintained, would seriously affect the services now rendered by brokers and agents.

Debate on the Plan

Mr. DeCelles delivered an apology for his plan and Julian Lucas of New York, president of the National Association of Insurance Brokers, undertook to answer the commissioner's argument.

Among the special guests were E. J. Cole of Fall River, Mass., past president of the National Association of Insurance Agents; J. H. Carney, president Boston Association of Casualty Agents; H. G. Fairfield, president Boston board; C. F. J. Harrington, president Insurance Society of Massachusetts; C. K. Steele of Gloucester, president Massachusetts Association of Insurance Agents; C. F. Hurley, treasurer of Massachusetts; Norman Bagley, a director of C. T. Bowring & Co., of London; W. W. Ellis, executive secretary National Association of Insurance Brokers.

Hits Experience Rating

Mr. DeCelles announced that he expects to have completed by next April a new set of compensation rates. He expressed the belief that the experience rating plan has outlived its usefulness. He indicated he favors some sort of a cost plus arrangement.

From 1929-1933 the number of compensation risks producing premiums of \$5,000 or more in Massachusetts dropped from 762 to 315. Many of these risks have become "non-insurers" as the commissioner expressed it. High rates have forced big manufacturers and industrial concerns to become "non-insurers."

The loss ratios on big risks, he said, indicate the companies can afford to sacrifice some of the loading. Although the agents and brokers opposed a graded commission plan, as a matter of fact, he said, the producer enters into such an arrangement voluntarily, offering to sacrifice 7½ percent if the company will sacrifice 2½ percent and hand the 10 percent savings to the assured.

Mr. DeCelles suggested that for the first \$5,000 of premium the commission be 17½ percent; for the next \$10,000 it be 10 percent; for the next \$35,000, 5 percent and for all amounts over \$50,000, 2 percent.

Only Few Big Risks

In 1933 there was one \$75,000 risk, one \$80,000 risk, one \$90,000 and one \$101,000. The other big employers are non-insurers.

Mr. Lucas expounded the various services that a responsible broker performs. He said an official investigation by the New York insurance department showed a modern brokerage office could not function on 10 percent commission. The average broker has never made enough profit to be able to set up

(CONTINUED ON PAGE 33)

Now Head Pacific Mutual Life



GEORGE I. COCHRAN
Chairman of the Board



A. N. KEMP
New President

Buyers Conference Formed by Kansas City Industries

UNDERWRITERS EXCLUDED

Study of Coverage Rather Than Rates Is Declared to Be the Objective

KANSAS CITY, Nov. 27.—The Associated Industries here voted to set up an "Insured Members' Conference" for discussion and study of insurance problems. The conference is restricted to insurance buying members of the association "not engaged in the business of selling insurance."

"We are not going to change the relations of insurance buyer and seller," said H. R. Northrup, director, insurance and workmen's compensation bureau of the Associated Industries. "Contrary to some erroneous reports, we are neither going to form an insurance company, nor organize to buy group insurance. The same rumor got abroad when the St. Louis conference, a similar organization which has been operating successfully three months, was formed."

Will Study Coverages

"Coverage is more important than price," Northrup continued, "and primarily the conference will be devoted to a study of the problems of coverage, although classifications and rates also will be considered, on fire, tornado, workmen's compensation, public liability, property damage, credit insurance, products liability and all forms of business hazard—whether covered by insurance or not."

Ignorant of Policies

"A lot of insurance buyers don't know what their policies contain. We found a great deal of ignorance in buying insurance," commented Bruce Forrester, General Box Company, who presided.

W. A. Sullivan of Loose-Wiles Biscuit Company was elected chairman; G. E. Olmsted, treasurer, City Ice Co., vice-chairman, and L. A. Meadows, Kansas City district director of Associated Industries, secretary. Members of the executive committee are E. E. Venrick, American Asphalt Roofing Corp.; C. L. Higgins, Gustin-Bacon Manufacturing Co.; L. P. Douglas, American Dairies, Inc.; H. H. McLucas, Cook Paint & Varnish Co.; Charles S. Stevenson, Hall Brothers, Inc.; G. W. Garrett, Stewart Sand & Material Co.; B. R. Welsh of Poindexter & Sons Merchandise Co.; John P. Cooper, Kansas City Structural Steel, and G. R. Tyler, Harzfeld's, Inc. Joseph J. McGee, Thomas McGee & Sons, and president of the Arctic Ice Cream Co., is among those taking part.

Objects to Exclusion

Clyde Bissett, branch manager for the Aetna Casualty & Surety, made strong objections to exclusion of insurance members. Mr. Northrup said that from time to time insurance men will be invited in, and Mr. Sullivan said that those conferences where insurance men participated almost always were unsuccessful.

"The truth is buyers don't like to discuss their grievances before insurance men, and it tends to result in solicitation," Mr. Sullivan commented.

The "self insurers' conference" of the Associated Industries will not conflict with the one being formed here, Mr. Northrup asserted, inasmuch as the problem of the former group is chiefly one of paying claims.

The conference will meet the third Tuesday in every month.

Merit Plan Disapproved

The Connecticut Indemnity's merit rating plan adopted in Oklahoma in 1932 has been disapproved by the Oklahoma Insurance Board.

Break in Casualty Agency

BY C. M. CARTWRIGHT

Some Important Sidelights on the
Conkling, Price & Webb Organization

When Fred A. Price of the Chicago general agency firm of Conkling, Price & Webb met death in an automobile collision accident at Banning, Cal., as he was en route to his winter home in Santa Monica, Cal., last week, the relationship existing among three partners in an organization for 42 years unabated came to an end.

The first multiple line casualty company was the American Casualty Insurance & Security Co. of Baltimore, familiarly known in its day as the "Baltimore Whale." It had an office in Chicago under the management of the late James Warren Nye. George D. Webb was office manager, Benjamin H. Conkling and Fred A. Price were agents, being the two main business getters. Prior to associating with the American Casualty office, Mr. Price had been in the insurance business in Chicago, starting in 1884 under the firm name of Weed & Price. It was doing a general line of insurance. Mr. Webb had previously been associated with the Hartford Steam Boiler and later the American Steam Boiler in Chicago, the latter being taken over by the American Casualty, and Mr. Webb was inherited. Mr. Conkling had been a plate glass salesman connected with the Chicago office of the Pittsburgh Plate Glass.

Three Partners of Diverse Attributes

The three men represented diverse types of temperament, character and attributes. Mr. Price was a great mixer, a Bohemian, a sportsman, a man about town. Mr. Conkling was very much of a family man, dignified, rather quiet, who was not much interested in outside activities. He formed his contacts largely among those who knew him well and had confidence in him. Mr. Webb was a student of the business, a capable underwriter, a man interested in the more serious phases of life. He was prominent in the Baptist church at Oak Park, was interested in various philanthropies and civic enterprises. In the old American Casualty office were Lew H. Webb, brother of George D. Webb, now a member of the firm of Conkling, Price & Webb, and the late Bert L. Wallace, both being clerks. Mr. Wallace married a sister of the Webbs, later became connected with Conkling, Price & Webb and at the time of his death was a partner. W. G. Kress, now head of the surety department of Conkling, Price & Webb, was office boy in the American Casualty office.

How Conkling, Price & Webb Firm Was Established

The "great whale" of Baltimore blew up in 1893. It had too avaricious a maw, was taking on too much territory and could not survive the violation of economic laws. The London Guarantee & Accident had just entered the United States the year before and established its headquarters in Chicago with Capt. A. W. Masters as United States manager. Fred W. Lawson, who succeeded Captain Masters, was connected with the office. On the failure of the American Casualty, George D. Webb, Mr. Price and Mr. Conkling went to Captain Masters, had a conference with him, told him what they could do in Chicago and vicinity for his company. Captain Masters advanced the triumvirate \$1,000 to establish an agency. They became general agents and later were given Illinois and Indiana. It was one of the old time general agencies where great responsibility rested on it, the underwriting was done at the source and full service was rendered by the C. P. & W. organization. It is one of the few genuine general agencies of the old school.

Mr. Conkling and Mr. Price were the

contact men and they immediately put forth their great efforts to secure business for the new firm. Mr. Webb was the inside man, the underwriter, the analyst, the system man, who was not supposed to be so much of a salesman but he whipped in shape what Mr. Price and Mr. Conkling stirred up. Frequently, however, he would be taken with them as well as others to give the insurance and technical talk to a prospect or policyholder. The three men worked as a great team despite their differences in mental equipment. They fused their talents into a working organization. They never allowed themselves to get into a "jam" with one another. Mr. Price had remarkable control over himself and when any differences of opinion arose he usually turned his back, walked out of the office and said nothing. Mr. Price at one time was ready to throw up the sponge in the old American Casualty office. He was getting discouraged and jittery. Then the turn of fate gave him the handling of the Swift & Co. employers liability business. That put him on the map and gave him great encouragement. It was the one thing that stimulated him to go on.

Price Regarded as a Very Hard Loser

One of Mr. Price's prominent characteristics was his tenacity and persistence. He was a very hard loser, not only in his business but in his sports. He went down to defeat with misery in his heart. He showed this in his games at the Chicago Athletic Club and in yachting races. He rode on top of the wave when he was victorious. Therefore when he was turned down in business he did not regard the result as a defeat but he kept on until there was no hope at all.

Frequently Mr. Webb had to do much revamping and recasting of business that his two partners would bring in. He has always been a profound student of insurance in all its ramifications, has

(CONTINUED ON PAGE 39)

To Home Office



J. DILLARD HALL

J. Dillard Hall, Chicago co-manager U. S. F. & G., has been called to the home office as assistant agency director. Mr. Hall made a fine production record as manager for Iowa and Nebraska before going to Chicago. He is a native of North Carolina and was an agent in Charlotte at one time. He is noted for his safety work and has given numerous talks on the subject.

A. N. Kemp, Financial Man, New Pacific Mutual Head

COCHRAN BOARD CHAIRMAN

New President of Big Los Angeles Company Was Recommended By the Man He Succeeds

A. N. Kemp, an experienced financial man, has been elected president of the Pacific Mutual Life succeeding George I. Cochran, who becomes chairman of the board.

Mr. Cochran has been president and directing head of the Pacific Mutual since it was organized. Announcement was made that he now desired to be relieved of the responsibility for directing the company's affairs and that he had recommended the election of Mr. Kemp.

Mr. Kemp is a native of San Francisco, but he obtained financial training in England, Scotland and New York. He then returned to California in 1905. While in New York he became identified with the bond house of N. W. Halsey & Co. In 1909 he went to Los Angeles for that concern as its representative in the Pacific Light & Power Co., Southern California Gas Company and others. He was made controller and later vice-president of the Southern California Edison Company. In 1923 Mr. Kemp was elected executive vice-president of the California Bank, remaining in that connection until 1927. He retired in that year and has been devoting his attention to his personal affairs.

Housewife's Baking Failures Insured Under New Policy

The Liberty Mutual has written a policy on "Aristos" flour, a product of the Standard Milling Company. According to the policy, "should a housewife have a baking failure caused by Aristos flour," the Liberty Mutual "will refund the cost of the Aristos flour purchased and all other ingredients used in any all-purpose flour recipe, together with the cost of mailing the letter and sample of Aristos flour used" to the company.

Claims must be accompanied by a one cupful sample, name and address of grocer, sales slip showing cost of flour, itemized list of ingredients and recipe used.

The policy is a "public liability policy" issued to the Southwestern Milling division of the company dated Oct. 1, 1935. It is played up extensively in the flour company's newspaper advertisements.

New York Hearing

NEW YORK, Nov. 27.—The New York joint legislative committee to investigate compulsory public liability insurance and road safety methods, will hold a series of hearings in the Bronx County building Dec. 5-11. Senator J. S. Berg, chairman of the committee, states that consideration will be given the advisability of creating a state fund for handling the indemnity and the wisdom of recommending a financial responsibility law. Thus far public hearings have been held in Boston, where the experience under the Massachusetts compulsory law was discussed; in Rochester and Watertown, N. Y., it is expected the committee will be able to present its report to the legislature by Feb. 1.

Discuss Union Indemnity Suit

NEW ORLEANS, Nov. 27.—Suit for \$7,019,259 brought in the United States district court in Shreveport against the 36 directors of the Insurance Securities Company, which controlled the defunct Union Indemnity, was dismissed by Judge B. C. Dawkins.

Dr. M. H. Kronenberg Says Disease Hazards Neglected

IMPORTANCE NOT RECOGNIZED

Clinical Conditions Frequently Incorrectly Diagnosed—Silica and Asbestos Dust Are Most Dangerous

Expressing the belief that life underwriters have not appreciated the importance of occupational diseases, Dr. M. H. Kronenberg discussed some aspects of the problem before the Chicago Home Office Life Underwriters Association. Frequently, he said, occupational diseases cause health impairment, disability and death which are of vital interest to the home office life underwriters. Occupational diseases have been diagnosed as anemia, he stated.

Types of Diseases

Dr. Kronenberg discussed various types of occupational diseases. Lead may cause half a dozen clinical conditions and at least 150 industries or trades use lead in some form. Many times, he said, lead poisoning is diagnosed as meningitis. Many harmless appendixes have been removed because of confusion with an occupational disease condition. Lead poisoning causes sterility, miscarriage and premature birth among many women workers. It is also diagnosed as syphilis.

Benzol, which is a coal tar derivative, affects the bone marrow, which it destroys. Formaldehyde is used commonly in many occupations which might appear to be harmless and it destroys fingernails. Among these are the manufacture of wall paper and calico dresses. Brass itself is not poisonous, but when poured, zinc oxide fumes arise. Workers in brass foundries, when they arrive home after work, particularly on damp days, develop "brass foundry

chills" or the ague. Dr. Kronenberg said that he knew of cases where brass foundry chills sufferers were treated for grippe or malaria. There is nothing permanent in its effects.

Trichlorethylene has been used commonly of late by cleaners and dyers and is also used to clean metal. In a review of 284 cases of trichlorethylene sufferers, there were 26 fatalities. When metal parts are lifted from a trichlorethylene bath, if the worker is not careful, he will inhale the fumes which cause symptoms similar to an alcoholic "jag," and eventually the eyes begin to go bad and it affects the central nervous system.

Silica Chemical Poison

Chromium plating does a certain amount of harm of a permanent nature. A vapor arises, entering the upper nasal passages, and nasal perforation is caused. Frequently it is diagnosed as syphilis. Chronic mercury poisoning causes jerky bodily movements. Arsenic is used in the manufacture of wall paper and draperies and interior decorators may suffer from this type of poisoning. Phosphorus is used in the manufacture of pyrotechnics and insecticides. Zinc and copper poisoning are rare. Nickel poisoning causes a type of eczema. Cancer is an occupational disease occurring in the manufacture of tar.

Dust Is Harmful

Dust harms the lungs, Dr. Kronenberg stated. It may be limestone, talc, clay, carbon or gypsum dust. Silica and asbestos dust are the two most dangerous and if not guarded against will cause tuberculosis. Silica was at first believed to be a mechanical agent as the sharp particles were lodged in the lung, but it is now known that it is a chemical poison. If there are 5,000,000 dust particles per cubic foot of air, silica dust 35 percent is not injurious. A micron is 1/25,000 of an inch. Sand, quartz, flint and asbestos dust particles under 10 microns are harmful, under

Bank Night Insurance Is Line with Implications

EL PASO, TEXAS, Nov. 27.—Dave Lawson, manager of the Knickerbocker Club here, announced recently that he would issue insurance policies on bank night awards made at local theaters, to protect late arrivals on bank nights. He proposes to insure a patron's chance of winning an award for 10 cents per \$100 up to \$500 limit, and to pay claim in 30 days. Policy forms were being printed. The procedure is legal and there is no need for a state charter, according to Mr. Lawson.

MAKES OFFER IN INDIANA

C. M. Jones, fire and casualty general agent in Clinton and Terre Haute, Ind., has offered to insure clients their winnings in theater bank nights if they are absent when their numbers are

three microns are bad and under 5/10ths microns are very serious.

We pay for our synthetic products with an increased mortality rate, Dr. Kronenberg stated.

He has found that the blond individual doesn't stand up in the plating industry. Wet processes where dust is a hazard are extremely effective in eliminating occupational disease hazards. The wet process may be used in grinding industries and the manufacture of asphalt. He said that in the manufacture of asphalt he was not interested in the 95 percent limestone dust in the air, but in the 5 percent sand or silica dust.

Dr. Kronenberg is considered an authority on occupational diseases. He is advisor to a number of industrial concerns, life insurance companies and is associated with the University of Illinois.

drawn. He stated that if bank nights are legal, so is his offer.

London Lloyds representatives this week said bank night insurance probably was not being offered by Lloyds, which as a rule underwrites only hazards free from human whims. It was pointed out total premium derived from any movie theater putting on a weekly bank night must be as nearly as much per week as the weekly cash offering, as eventually someone would draw down the accumulation. On top of this there must be loading for expenses, commission, profit for carrier, taxes, etc.

Sale of the policy to individuals would have limited field, it was believed, since odds against a designated person drawing the cash are remote. However, it was said there might be a business opportunity in developing a blanket form to be sold to movie theaters to serve as a patronage stimulator and to mollify persons unlucky in being absent when their registered number was pulled from the hat.

Another prolific field of business, a prominent insurance man comments, would be policy tickets and handbooks, where there should be a great demand for a policy to save the wounded feelings of patrons who "missed the boat."

Watch New Jersey Situation

NEWARK, Nov. 27.—Legislative matters will be closely watched this year by the Casualty Underwriters Association of New Jersey, it was brought out at a luncheon meeting. It is feared compulsory automobile measures will be introduced again in the legislature and every effort will be made to block passage of such measures.

Great Lakes in Pennsylvania

The Great Lakes Casualty of Detroit has been admitted to Pennsylvania and has appointed M. L. Baker, of York, Pa., state agent. It will restrict its underwriting there to automobile and general liability lines.



GENERAL REINSURANCE CORPORATION

Casualty - Fidelity - Surety

90 JOHN STREET, NEW YORK ▼ 200 BUSH STREET, SAN FRANCISCO

Insurance Holding Unit Tax Decision Is Given

WASHINGTON, Nov. 27.—Refusing to grant a petition for review filed by the Pennsylvania Indemnity Company, the United States Supreme Court in effect affirmed a decision of the third circuit court of appeals upholding the commissioner of internal revenue in his refusal to permit the company to file a consolidated income return for itself and its two insurance company subsidiaries and the imposition of a tax on the book profit made through sale to one of the subsidiaries of stock in the other.

The company was sole owner of the stock of the Pennsylvania Indemnity, a casualty company, and 40 percent of the stock of the Pennsylvania Indemnity Fire, the other 60 percent of which was owned by the casualty company. The parent company acted as agency for the two subsidiaries.

A consolidated return filed by the agency company in which was not included the book profit arising from the sale to the casualty company of the parent company's interest in the fire company was rejected by the commissioner of internal revenue and a tax imposed upon the difference between the \$58,950 which the stock had cost the agency company and the \$157,200 for which it sold it. The consolidated return was rejected on the ground that the parent company was subject to tax under different provisions of the revenue act than the insurance companies.

The agency company paid the assessment on the stock sale which, with interest, was \$15,569, and filed a claim for refund, which was rejected, upon which it sued in the district court, which upheld the commissioner.

Unlicensed Company Must Pay Fine in South Carolina

Judgment against the Fidelity Mutual Benefit Association of Rockford, Ill., has been upheld by the South Carolina supreme court in an action brought by a certificate holder in North Carolina under sections 1968 and 7969 of the South Carolina code providing that should any insurance company not licensed in South Carolina, violate the provisions of this chapter, such company should be fined from \$500 to \$1,000, to be recovered by any citizen having a policy in that company. McNeely was the policyholder who brought the action. He served a summons and complaint upon the benefit association by delivering copies of the papers to Dr. Simpson, as its agent, at his home in South Carolina.

The benefit association had issued to Simpson a commission of authority to get people to become members of the association and to act for them in submitting applications. Dr. Simpson said he collected from applicants \$4 as a membership fee and \$1 as an enrollment fee. He retained the \$4 and sent the \$1 to Rockford. The transaction was then to be completed by mail.

The supreme court held that the benefit association adopted and pursued a plan for the furtherance and transaction of its business in South Carolina which involved a flagrant violation of the code sections.

Widua Safety Director

George Widua has been appointed safety director of the Franklin Mutual of Chicago. He has had many years' engineering experience and is a member of the American Society of Safety Engineers and an executive officer of the National Safety Council.

Hartford Claim Men Elect

HARTFORD, Nov. 27.—Home office claim men from seven Hartford companies held a meeting and elected officers. They are: Malcolm F. Hood,

Connecticut General Life, chairman; Thomas A. Sperry, Aetna Life, vice-chairman; Martin F. Duffy, Hartford Accident, secretary.

Bay State Brokers Hear DeCelles Plan Debated

(CONTINUED FROM PAGE 30)

sufficient reserve to take care of depression periods.

"Therefore," he said, "it would certainly seem inadvisable for any insurance company to devise a scale of commission which may be fair pay for the

incompetent or untrained broker, but below the price at which a real service giving organization can continue to function."

Ohio License Bill Passes

Both the senate and the house of the Ohio legislature have passed a drivers' license law. If it is signed by Governor M. L. Davey, it will become effective next October.

A previous bill passed by both bodies was turned down by the governor because it called for a 25-cent state fee, but contained a provision that notary publics could charge 40 cents more for

certifying applications. The new bill calls for a 40-cent total fee, 25 to the state and 15 to the deputy registrar. Governor Davey has indicated that the new bill is satisfactory.

Autoist Mutual Official Dies

O. D. Stuart, general counsel and a director of the Autoist Mutual of Chicago for 20 years, died at the South Shore hospital in Chicago at the age of 69.

Charles L. Tebbets, president of the Massachusetts Indemnity, Boston, since 1922, died this week.

CASUALTY INSURANCE FIDELITY AND SURETY BONDS



Successful insurance
Agents sell the feeling
of Security, of Protec-
tion, of Peace of Mind.

The record of Central Surety is
dependable assurance that its
Agents have been continuously
equipped with these vital sales
points.

Centralize
FOR
'FRIENDLY SERVICE'

Capital\$1,000,000.00
Surplus to
Policyholders... 1,802,584.92
Assets 4,639,504.55

As of June 30, 1935

DENNIS HUDSON, President

**CENTRAL SURETY
AND INSURANCE
CORPORATION**

KANSAS CITY, MO.

WORKMEN'S COMPENSATION

Bureau Reviews Disease Bill

Legislation Agreed Upon By Illinois Manufacturers Association and Labor Is Submitted to Casualty People

NEW YORK, Nov. 27.—The Illinois occupational disease bill, which has been agreed upon by the Manufacturers Association of that state and labor interests, has been presented to the National Bureau of Casualty & Surety Underwriters for criticism and the bureau has been requested to give an estimate as to what the new legislation would be likely to cost in extra premiums. The bureau held a meeting on the question and is advising the Illinois people that the rates would have to be worked out by committees and that an estimate at this time would not mean very much.

The proposed bill would create occupational disease liability on the part of the employer entirely aside from the workmen's compensation act. As a matter of fact, it is proposed to include en-

tire sections of the present compensation act in the occupational disease act to avoid the necessity for cross reference. The employer could elect whether he would come under the disease act.

The definition of occupational disease is all inclusive and undertakes to set out in general terms what constitutes an occupational disease. It provides for assumption of accrued liability and this, the National bureau advises the Illinois people, would render the job of rate making most uncertain.

The Illinois Manufacturers Association and the labor interests of Illinois have been conferring in an attempt to arrive at a bill to which both parties can subscribe. One of the Chicago casualty executives has been sitting in at these meetings in a personal capacity and not as an official observer. The casualty companies have been careful to avoid the impression that they are dictating the legislation.

It is understood Governor Horner of Illinois is anxious to have an occupational disease bill passed and that if an agreed bill is not decided upon, he will use his influence to have the legislature

pass one of the bills that was introduced at the regular session of the legislature. The Illinois Manufacturers Association submitted a bill at that time and the labor interests who regarded the manufacturers' bill as too restrictive, introduced a measure of their own that was all inclusive.

Ohio Supreme Court Rules 50% Contingent Too High

A blow to attorneys who have specialized for years in Ohio on compensation cases on a basis of 50 percent contingent fee, was dealt by the Ohio supreme court in reversing a lower court ruling and ordering return by an attorney of \$700 contingent fee received out of a \$1,400 award. The case came up from Portsmouth, the claimant having agreed to pay counsel half the award. The supreme court said, "We can conceive of no state court, functioning under a constitution and law similar to our own, that would sustain an equal division of the proceeds awarded to the bread winner or his widow."

Life, Compensation Rating Methods Are Distinguished

DETROIT, Nov. 27.—In the life insurance field, rates are calculated on an assumption of well selected risks with the loss assumption deferred for a period of years, but in rating workmen's compensation risks, the acceptance or rejection of risks cannot be considered, but the rates must be calculated on a basis commensurate with the hazard involved. Kendrick Stoke, statistician Michigan Mutual Liability, told the Michigan Actuarial Society at its November meeting.

A definite change in the hazard of this type of insurance has taken place in the past decade or two, he declared. Industry is more highly mechanized and with modern safety features the individual hazard is reduced. Rating for occupational diseases is based on three factors: Raw materials used, process required in manufacture and exposure-of-man ratio.

C. H. Fisher, mathematics instructor Wayne University, Detroit, was admitted to membership, and Professor W. O. Menge, University of Michigan, presided.

New Michigan Classification

At the Michigan regional compensation committee's meeting in Detroit approval was given to a new bean-picking classification which is expected to result in large premium reduction on the many bean elevators throughout Michigan. The former classification including bean pickers was that of "bean sorting and handling," a risk that originally carried a rate of \$1.12 but which had more recently been reduced to 95 cents. The new rate for this separate classification will be 15 cents, according to the committee recommendation. The creation of the new classification will throw other workers in bean elevators into other classes, according to the type of labor in which they are engaged. Thus the more hazardous occupation will carry a fairer rate.

Minnesota Reduction Dec. 1

ST. PAUL, Nov. 27.—The reduction of 2.8 percent in Minnesota compensation rates goes into effect Dec. 1. It will mean a decrease of \$125,000 in premiums.

Study Silicosis Hazards

For the purpose of studying silicosis hazards from the industrial standpoint, the Los Angeles chamber of commerce has organized a thorough investigation, following the meeting called by Insurance Commissioner Carpenter, for the purpose of hearing both assured and carriers on the proposed rate increases on classifications subject to silicosis

hazards. The object is to obtain data for submission to Commissioner Carpenter at the projected meeting to be held in southern California shortly to give industries in that section opportunity to present their side of the question.

Not Entitled to Credit

The New York department has issued a ruling which upholds the determination of the Compensation Rating Board of New York that outstanding compensation policies are not to be given credit in connection with compensation rate decreases. The protest was made by DeKay & Co., representing several assured. DeKay & Co., represented several assured whose classifications were reduced in the general rate revision effective July 1, 1935. The New York department held that the procedure followed by the rating board is one that has been followed for years in New York and nearly all other states and is reasonable and not unfairly discriminating.

Casualty Field Changes

Memphis Agency Is Named by Associated Indemnity

SAN FRANCISCO, Nov. 27.—Appointment of the Underwriters Service Agency of Memphis, Tenn., operated by Treadwell & Harry, to manage affairs of the Associated Indemnity of San Francisco in a specialized insurance service in Mississippi, Arkansas and Tennessee for employers' liability and workmen's compensation, is announced by President C. W. Fellows. Licenses to operate in the three states have been granted. According to President Fellows, the decision to locate in Memphis was made following extensive survey of the mid-south.

Zepf in Boiler Field

Arthur L. Zepf has been appointed special agent of the Hartford Steam Boiler at Cincinnati. Mr. Zepf will cover the southwestern Ohio and southeastern Kentucky territory. Previously he served seven years with the Retail Credit Company and a short time with the Business Service Company, another reporting agency. He takes the place left vacant by the death of Rolf B. Stanley who was killed in an auto accident recently.

Chandler, Jr., Appointed

F. M. Chandler, Jr., son of the well known Chicago casualty man, has been appointed assistant underwriter of the Royal Indemnity-Eagle Indemnity branch in Chicago. He succeeds Miss Helen White, who has been underwriter of the casualty department for 10 years, and is associated with Chief Underwriter W. E. Pinholster. Young Chandler trained under his father who now is superintendent of agents Central Mutual, Chicago.

Burnside With Travelers Mutual

V. H. Burnside, formerly with the Chicago branch of the Iowa Mutual Liability has joined the Travelers Mutual Casualty of Des Moines, as home office underwriter for the eastern territory.

Officers Are Nominated

BALTIMORE, Nov. 27.—Baltimore Claim Men's Association officers nominated are: E. J. Page, president; Dan Klein, vice-president; R. D. Jones, secretary; J. T. Hill, treasurer. Election will be held next month.

A committee will be appointed for the purpose of collecting and analyzing data on accident locations and disseminating this information.



Let's Talk Turkey!

November, month of frosty weather, football and festive boards, is also the month when store owners look forward to the Holiday trade.

Merchants will soon be installing their Christmas window displays, and the time to sell plate glass insurance is when storekeepers are most conscious of the value of their display windows.

Naturally, their best investment is Ohio Casualty's 50-50 policy, which was designed specially for the insurance of large plate glass areas. It's a money-maker we'd like to tell you more about. For full details, write today.

THE OHIO CASUALTY INSURANCE CO.

Home Office

Hamilton, Ohio

Automobile Accident
Burglary

Full Coverage Automobile
Liability
Fidelity and Surety Bonds

Plate Glass

ACCIDENT AND HEALTH FIELD

Self-Mutilation Is Not Crime

Oregon Court Holds It Not Contrary to Public Policy—Incontestable Clause Expired

Self-mutilation to secure disability benefits under the disability clause in a life insurance policy is not against public policy in Oregon, nor cause for cancelling the contract, the United States district court in that state has just ruled in the case of Aetna Life vs. DuBarry, thus virtually making cases of this type res judicata. The decision was on the company's petition in equity to cancel the policy. DuBarry, it was shown, shot off both hands with a shotgun. The United States district court ruled that the case should be controlled by legal principles applicable to suicide and the company was not entitled to cancel the policy. The act of self-mutilation was not a crime in Oregon and self-mutilation to facilitate payment of benefit was not contrary to public policy, it was decided. The policy, it was ruled, did not exempt the company from liability in such cases, as the only exception from the incontestable clause was non-payment of premiums.

The incontestable clause is applicable to the disability feature as well as to the life insurance provision, and the company has no defence after the incontestable clause has run out.

Unusual Decision Made in California "D. I." Air Case

An unusual decision affecting the double indemnity clause in life policies arising from aviation accidents was rendered by the United States circuit court of appeals, ninth circuit in California in the case of Metropolitan Life vs. Holcomb. The clause in the policy in part read: "death shall not have resulted from bodily injuries sustained while participating in aviation or aeronautics except as a fare paying passenger."

The policyholder was killed in an airplane crash while on a search within the borders of California for a brother who was missing. The pilot of the plane was regularly licensed by the Department of Commerce, but his license prohibited him from carrying passengers for hire. A jury in federal district court found there was an implied contract to pay fare for the air trip. The appellate court, however, reversed this decision on the ground that the pilot's license prohibited him from carrying passengers for hire and California law governing the case was to the effect

that any federal acts or regulations should govern.

There was no actual evidence that the policyholder had paid or promised to pay a fare. The appellate court decision, therefore, was that, it being contrary to law and regulation for him to pay a fare or the pilot to accept a fare for the trip, the policyholder was not a fare-paying passenger and therefore his estate was not entitled to benefit by the exception in the double indemnity clause.

Hanson for President

At the November meeting of the Accident & Health Managers Club of Los Angeles, the following were nominated: President, Ernest F. Hanson, who has been vice-president; for vice-president, C. H. Thrift of Behrendt-Levy agency, who has served as secretary-treasurer. The secretary-treasurer will be appointed by the directors.

A. & H. Week Plans

At the Philadelphia Accident & Health Underwriters Association's

meeting tentative plans were discussed for an outstanding observance of Accident & Health Week next April. John Leibig, Continental Casualty, was named to head the Accident & Health Week sub-committee, and E. S. Banks the publicity sub-committee. Plans were discussed for a sales congress to be held the week prior to Accident & Health Week.

Joint Meeting Dec. 12

A joint meeting of members of the various committees of the Bureau of Personal Accident & Health Underwriters will be held in New York City Dec. 12. A number of subjects of first importance will be considered.

Holtzman at San Francisco

At a special meeting of the Accident & Health Managers Club of San Francisco, A. M. Holtzman, Colorado Life, regional vice-president National Accident & Health Managers Association, spoke on "Building an Agency."

New officers will be elected by the Surety & Casualty Association of Oklahoma at the next meeting in Oklahoma City Dec. 9.

C. V. W. Schmidt, for 39 years with the U. S. F. & G., died. He had been superintendent of the railroad department.

PERSONALS

B. G. Wills, vice-president Fireman's Fund Indemnity, has returned to the head offices in San Francisco following a three weeks' business trip to the east.

W. G. Curtis, president National Casualty, visited Los Angeles in connection with the affairs of the Peter & Thompson Agency, following the death of Harry A. Peter, a firm member.

Russell E. Stevens, assistant United States manager of the Car & General, has been visiting Chicago Manager A. J. Browning of the Car & General and agents in that city.

The office staff of the Hoosier Casualty at Indianapolis gave a birthday party for President C. W. Ray. A banquet was followed by a show put on by the girls of the office who disclosed much unsuspected talent as entertainers. Some 200 were present.

Edwin R. Gregory, 52, Texas manager at Dallas for the American Surety, with which he had been connected 25 years, 12 years as manager, was fatally injured

BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

Casualty Affiliate of The American Group

"Insure Your Earnings" Is A. & H. Week Slogan

"Insure your earnings—protect all," has been adopted as the slogan for Accident and Health Week which will be held April 20-25. The C. E. Rickerd Advertising Agency, Detroit, will handle the advertising and publicity work in the drive. The general committee worked out details for the drive in a conference at Detroit. Local accident and health organizations are asked to appoint special Accident and Health Week drive committees and the local chairmen will be named on a national advisory committee. Subscriptions are being asked from all accident and health companies and associations to defray the overhead and administrative expenses.

Dependable Protection to Policyholders

Efficient Service to Agents

and Mrs. Gregory was slightly hurt when their automobile was forced off the road while they were returning to Dallas from Austin, where they were visiting their son, T. M. Gregory. The senior Mr. Gregory was a native of New Orleans and resided in Austin before moving to Dallas in 1923. Burial was in Austin.

The obsequies for the late **Fred A. Price** of Conkling, Price & Webb of Chicago were held in Rosehill cemetery chapel in that city Tuesday afternoon. Mr. Price was killed in an automobile accident near Banning Cal., as he was enroute to his winter home at Santa Monica. His wife had predeceased him about two weeks before. Mr. Price insisted on driving out, his chauffeur being at the wheel. They were about 125 miles from their destination. Mr. Price was involved in a very serious automobile accident in Utah on his way to Chicago from Santa Monica about three years ago. This resulted in one of his fingers being amputated. After that he suffered a couple of strokes and although disabled he came to his office right along and attended to some of his personal business. Mr. Price was twice married, his first wife having died some years ago. There is a daughter by his former marriage, Mrs. Arthur Dole, Jr., who resides at Glen-coe, Ill.

Mr. Price's remains were accompanied to Chicago by Joseph Crider, well known insurance attorney of Los Angeles. Mrs. Price flew to Chicago arriving Saturday.

J. G. Yost, assistant secretary of the Fidelity & Deposit, and vice-president of the American Bonding, represented the F. & D. organization at Mr. Price's funeral.

Judge S. A. Ralph, Springfield, Mass., who is retiring as general manager and vice-president of the Craftsman Insurance Company following its purchase by C. M. Goodnow, will now devote his

Will Preside



HARRY H. WADSWORTH
Syracuse, N. Y.

Harry H. Wadsworth, president of the Insurance Federation of America, is head of the Syracuse, N. Y., agency of Wadsworth & Olmstead. In addition to doing a local business, the firm is general agent of the Aetna Casualty & Surety. He will preside over the annual meeting of the Insurance Federation next Monday afternoon, at the Hotel Pennsylvania in New York, he having been its president for the last two years.

entire time to the practice of law, specializing on insurance cases. He became well known both as a member of the

Health & Accident Underwriters Conference and of the International Claim Association. When he took over the management of the Craftsman in 1928, the premium income was \$50,000. Last year it was \$166,000. Judge Ralph was unusually successful in claim work and handling of legal tests in court. No case contested by the Craftsman in court was lost in the last eight years.

F. S. Peterson, Reno, manager of the Mutual Benefit Health & Accident in Nevada, died suddenly.

E. D. ("Ted") Loring, manager of the American Automobile's branch at Chicago, is wrangling horses on a "dude" ranch, Soda Springs Ranch, near Rimrock, Ariz. He is a veteran horseman and is reveling in the short winter vacation in "God's country" where 9 p. m. is late at night.

C. L. Brown, Jr., casualty manager for the Cleveland branch of the Travelers, died. Mr. Brown was born in Homer, N. Y., and had been with the Travelers for the past 18 years. He was transferred to Cleveland as manager in 1925.

C. L. Crumb, superintendent of agencies in Ohio for the W. G. Wilson office of the Aetna Life, Cleveland, was given a dinner by Mr. Wilson and associates in honor of his 25 years of service.

Col. and Mrs. H. P. Dunham and Mrs. Robbins, Mrs. Dunham's mother, gave a "housewarming" party to their many friends at their new home, 1 Fifth avenue, New York City. Col. Dunham retired as Connecticut insurance commissioner and became vice-president of the American Surety July 1.

About 100 attended the dinner including many of the most prominent insurance men and their wives. During the evening Col. Dunham called on many of his guests and among those

who spoke were John McGinley, vice-president Travelers; Supt. L. H. Pink; Frederick Richardson, manager-director, General Accident; J. S. Turn, vice-president Aetna Life; C. F. Sturhahn, president Rossia group; F. W. Lafrentz, chairman American Surety; A. F. Lafrentz, president American Surety; W. J. Falvey, first vice-president Massachusetts Bonding; Senator J. S. Frelinghuysen, president Stuyvesant; R. R. Lounsbury, president Bankers National Life; R. H. Keffer, general agent Aetna Life; and H. H. Clutia, president Northern of New York. The Dunhams are warmly welcomed to New York.

Regulate Ambulance Chasing

ST. LOUIS, Nov. 27.—The activities of the St. Louis Bar Association's grievance committee and the disciplinary measures of the committee for the eighth judicial district against ambulance chasing and other unethical practices apparently is having a wholesome effect on the damage suit situation. There has been a sharp decline in the number of suits filed in the local circuit court this year compared with 1934 and former years. In 1934 a total of 10,562 suits were filed compared to an estimated 8,000 this year, the biggest decline being in damage suits.

May Consider Auto Rates

The matter of automobile insurance rates will be taken up before long in Oklahoma, S. W. Philpott, secretary of the state insurance board announced. It has come to the board's notice that more than manual rates have been charged in some cases. This will be corrected. A clearing office would be established, Mr. Philpott said, with agreement of the board and all policies would be cleared through this port and followed strictly.

The New Jersey Manufacturers Casualty has declared a regular dividend of 20 percent and a special dividend of 5 percent on net premiums written in the first quarter.

There's one place in the Chicago area where you can always be certain of



on plate glass replacements. That is the American Glass Company, the leader in the Chicago field. For your ready reference, and our usual reliable, speedy service for your assured, why not jot down our telephone number now? It is MOHawk 1100.



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1030-42 N. BRANCH ST. CHICAGO.



Recovery of Counsel Fees Under Indemnity Pact

By Stevens T. Mason
Detroit

After a surety company has paid a loss its salvage department is always zealous in its activity toward enforcement of indemnity from the principal. This activity does not seem to exist when the surety company is successful in defeating the claim. The obvious reason for this is that the surety is so elated at getting out without a loss that it is glad to file the case and forget it. This is particularly so when the principal on the bond is insolvent.

However, it should always be borne in mind that the indemnity agreement, which is part of the application, guar-

antees reimbursement for counsel fees and expenses. Whenever a claim is made on a surety bond the surety should immediately notify the principal and indemnitors, if any, of the obligation in the indemnity agreement to reimburse the surety for any loss including counsel fees and expenses.

This precaution is constantly neglected particularly in the case of depository bonds, and when the surety has finally successfully defeated the claim it often finds that the principal has gone through bankruptcy or insolvency, or, in the case of a depository bank, is being liquidated in some manner, and that an order has been issued limiting the time within which to file claims, and the limitation has expired. Again comes the temptation to put the file away and forget it.

Failure to Give Notice Is Considered

Although the defense that the surety company's claim comes in too late will be vigorously asserted, the expiration of this limitation period is not always fatal to the surety's claim for indemnity. In 33 Corpus Juris 237 is the following:

"In general, where an order is given for the publication of a notice of a limitation of the time to file claims, and such notice is duly published, claims not filed within the time specified in the notice are precluded in that proceeding from sharing in the assets. This result is held to follow, however, only where there has been, in the meantime, a final distribution of the funds in the hands of the receiver based upon claims proven."

Authorities cited—Note 69.

"If a reasonable excuse for delaying to make an earlier claim is shown, the court may, in its discretion, permit a creditor to come in and prove his claim at any time before actual distribution, or even after partial payment, if there is a surplus in the hands of the receiver, so as not to interfere with payments already made." Notes 76-77-78. Merrill vs. National Bank of Jacksonville, 173 U. S. 130.

Therefore, the obvious answer to the claim of laches is the statement that if the claim had been presented it could not have been allowed by the court because it was impossible to say what the claim would amount to until the litigation had terminated. At the time the limitation expired the claim was undetermined. In other words it involved matters in custodia legis.

Often the surety fails to tender to the principal the defense of the action. Perhaps this is an oversight. Perhaps it is intentional. The surety might not be willing to trust its defense to an attorney of the principal's choosing.

In the case of United States Fidelity & Guaranty vs. Hittle, 121 Iowa, 552; 96 N. W. 782, the principal went so far

as to employ an attorney, and notified the surety that this attorney would attend to the case for the surety as well as the principal. The surety refused the offer, and paid its own counsel to represent its interests, and brought suit to recover the amount so paid. The court said:

"The plaintiff was asked to become the defendant's surety for a large sum, and it furnished the bond upon the express condition that the defendant would indemnify, and keep it indemnified from and against any and all loss, counsel fees, and expenses of whatever kind or

nature which said company shall, for any cause, sustain, or incur, or be put to. This language is very broad, and was evidently intended to protect the company from any financial loss arising from its suretyship for the defendant. When it was made a co-defendant with him in suits seeking to recover large sums of money, it was but natural, and dictated by good business policy as well, that it should employ competent counsel to specifically look after its interests. This was the reasonable thing to do under the broad language of the contract. No one will contend that expenses of any kind could be incurred for the sole purpose of mulcting the principal; but unless bad faith is shown which would operate as a fraud upon the defendant, we think there can be no question of the right to employ and pay counsel under this contract, whether reasonably necessary, within the meaning of the instruction, or not. The contract is not to pay such expenses as may appear to have been reasonably necessary, but to pay such as have been paid or assumed for any cause; clearly leaving it discretionary with the plaintiff as to whether necessary or not, and only requiring it to act in good faith in the matter."

The language of this opinion is somewhat broader than necessary. More conservative but equally forceful opinions may be found in the following cases: Knickerbocker vs. Wilcox, 83 Mich. 210; United States Fidelity & Guaranty vs. Munro, 165 Mich. 610; Fidelity & Deposit vs. Hibbler, 177 Mich. 490; Chilson vs. Downer, 27 Vt. 536.

General Rule Stated Under Three Heads

It may be stated as a general rule—

(1) When a contract of suretyship is made there arises an implied contract that the principal will indemnify the surety for any loss he may suffer including reasonable counsel fees and expenses.

(2) In the absence of an indemnity agreement the principal may furnish reasonable legal assistance, and if he provides a responsible attorney he has done all that may be required of him.

(3) If there is an express agreement to indemnify the surety from any counsel fees the surety shall incur, the surety may select his own attorney and recover the amount paid for attorney fees.

Therefore, a tender should always be made when there is no express agreement. Where there is an adequate indemnity agreement tender is not necessary.

It is often claimed by the principal that counsel fees were not necessary. The court decided that there was no liability on the bond anyway. Why pay lawyers to argue it? In the case of U. S. F. & G. Co. vs. Smith, 97 Calif. Appeals, 492; 275 Pacific 878, the surety

company issued its bond and the principal executed an indemnity agreement providing that the surety should be saved harmless from counsel fees and expenses sustained in consequence of having written the bond. The surety was forced to defend suit on the bond. It pleaded limitations. The suit was dismissed. The principal claimed that as the suit was barred by limitations, the bond was at an end, and there was no breach. Therefore, he was not liable for counsel fees. The court held that the indemnity agreement was broad enough to permit a recovery for counsel fees, which were incurred because of having executed the bond, and that it was not necessary to show that there had been any breach of the bond by the principal. The fact that suit was started was sufficient.

Main Question Arising Over Attorney's Fees

In a depository bond the receiver of the bank, or the reorganization committee, constantly raises this objection, which sounds quite logical. We have to pay this deposit or dividends thereon in any event. If we don't pay the depositor we pay the surety. What difference does it make to us whether the depository bond is liable or not? We have to pay anyway. Why should we

pay attorney fees for litigating a matter in which we are not interested?

A perfectly proper answer to this is that "It is so nominated" in the indemnity agreement. A more courteous answer would be that the bank had to get the bond before it could get the benefit of the particular deposit for which the bond was security. The bond was written in consideration of the premium and the indemnity agreement. The bank is just as much bound to indemnify as to pay the premium.

The only test to apply to the question of the necessity for counsel fees is whether the surety acted in good faith in employing counsel to protect its interests.

Push Fidelity Line

Company production men are making a special effort to get agents and brokers to sell fidelity business. One supervisor points out that there is only 1/25 the competition on fidelity but the average agent and broker on the street hesitates to suggest the coverage to his prospects because he is not familiar with it. In addition to the favorable competitive angle, fidelity offers substantial premiums and is easy to renew. Properly written fidelity lines will grow as the assured's business develops.

When Crime DOES Pay—



who does the paying?

More than thirty-six* out of every hundred businesses still carry no protection against the risk of loss through the criminal dishonesty of employees. In every instance of this kind, the firm's own resources are surety for the continued honesty of every employee on the payroll. Few companies, indeed, are big enough to bear this risk themselves.

With an adequate National Surety Fidelity Bond, you actually offer three distinct safeguards against the menace of the dishonest employee:

First, it is a powerful moral deterrent on each employee bonded. Again, our exhaustive investigation of his background and character either reveals previous dishonesty or confirms the soundness of the risk. Finally, if investigation yields no proof of unfitness, and the deterrent does not deter, National Surety pays the victimized employer the full amount of the loss.

*The National Association of Credit Men.

Write for a copy of our new Sales Manual on Fidelity Bonds.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, PRESIDENT

FIDELITY AND SURETY NEWS

Texas Liquor Control Law

Liquor Permit Holder Required to File Acceptable Surety Bond; Limits \$1,000-\$25,000

Under the liquor control law now effective in Texas, holders of permits to sell hard liquor are required to file an acceptable surety bond in an amount to be set by the board administering the law. Failure to file such bond shall terminate and cancel the permit.

The holders of all permits, except carriers and retailers of wine and beer and package store permittees authorized to sell wine only, are required to make a bond not less than \$1,000 and not exceeding \$25,000.

The liquor board may fix the amount of bond which is required for each class. All bonds required are payable to the state. It is provided that the

applicant will not violate any liquor laws or regulations. Penalty is permit revocation.

Seek Bail Bond Reform

NEWARK, Nov. 27.—Federal Judge Clark has turned over to the federal grand jury investigation of the New Jersey bail bond situation. His file contains fruits of his 10-year effort to bring about reforms in bail bonding practices.

It is Judge Clark's opinion that the licensing of out of state surety companies might well be inquired into.

No Favoritism on Bonds

PHILADELPHIA, Nov. 27.—Philadelphia's insurance will be taken out of politics, Mayor-elect S. D. Wilson announced. When the new administration takes office in January, there will be no favoritism in distributing city bonds,

nor any favorite agent or company. Business will go equally to 20 qualified companies. An ordinance requires that a foreign company to qualify to write city bonds, excluding courts and board of education, must deposit \$100,000 securities with the city solicitor's office. Domestic companies need make no deposit. Considerable construction work is planned.

New Surety Pamphlet

The American Surety is circulating a pamphlet entitled "The problem of adequate coverage, a discussion concerning fidelity and banker's blanket bonds for commercial banks, savings banks and buildings and loan associations," prepared by Richard T. Wood, manager of the company's bank division, fidelity department. After reciting the official requirements for each of the classes of financial institutions, Mr. Wood points out the particular hazards involved and suggests means for safeguarding against them.

Contest Gas Tax Bond Law

LANSING, MICH., Nov. 27.—The Argo Oil Company is seeking a writ of mandamus against O. S. Atwood, Michigan secretary of state, to compel him to issue it a license as an oil and gas

dealer without the posting of a surety bond now required, guaranteeing payment of the state gasoline tax. The oil company holds that the law is unconstitutional. If the suit is successful it means loss of a considerable amount of surety business.

Walsh Heads Surety Body

E. J. Walsh of the Massachusetts Bonding was elected president of the Surety Association of Southern California at the annual meeting in Los Angeles. Vice-president is William J. Bennett, Fidelity & Casualty; secretary, Joe Brock, Hartford Accident.

Sue on Treasurer's Bond

CHARLESTON, W. VA., Nov. 27.—The West Virginia attorney-general has filed suit in the Kanawha county circuit court to collect \$28,000 on the surety bond of Andrew Eye, former county sheriff of Pendleton county, written by the American Surety. The amount sought was deposited in banks which failed.

West Virginia—Safety week is being observed here, Governor Kump having issued a proclamation. The Charleston safety council is holding a special gathering.

NEWS OF THE COMPANIES

Goodnow Is Craftsman Head

Former President of Loyal Protective Secures Control From Albert E. Taylor and S. A. Ralph

The Craftsman, Springfield, Mass., accident and health company, has effected a reorganization, following purchase of a controlling interest in the company by C. M. Goodnow of Boston. Mr. Goodnow becomes the new president. Associated with him will be C. N. McClure, vice-president in charge of agencies and treasurer, and William I. Newton, a claim adjuster of the company since 1931, as secretary.

Mr. Goodnow has not been in the insurance business since he retired as president of the Loyal Protective in 1929. Prior to that time he had been active with the Loyal Protective for many years. As president of the Loyal Protective Mr. Goodnow became well known as an outstanding executive and as a keen student and analyst in the accident and health field. He became well and favorably known among agents and executives in the business.

Mr. Goodnow now comes back into the business in control of the Craftsman, which was organized in 1907 as the United Masonic Accident & Health Association, which was incorporated in 1924 and licensed as a stock company under its present name. The company has a capital stock of \$100,000 and a surplus of \$53,454 as of the end of 1934. The premiums last year totaled \$166,000. Retiring from the Craftsman are Albert E. Taylor, president of the organization since its establishment in 1907, and S. A. Ralph, who has been vice-president and general manager since 1928.

The new setup of the Craftsman brings into association again Mr. Goodnow and Mr. McClure. Mr. McClure was with the Loyal Protective as agency director in Michigan, Ohio and western Ontario, before he became director of agencies for the Craftsman in 1931.

No immediate changes in policy or company procedure are planned by the new management. Those who are acquainted with the work of Mr. Goodnow in this field will expect him, however, to make himself felt as an aggressive and successful company manager.

Report on Chicago Mutual

Total assets of the Chicago Ice Producers Mutual Liability as of July 31, 1935, were \$328,172, according to the

report of the examination by the Illinois department. Net surplus was \$251,963. The company has been operating since 1920. Joseph Mondry is president and R. B. Oakley is secretary. It writes compensation, public liability, auto liability, fire, theft and collision. It carries excess coverage with the Employees Indemnity Corporation of Kansas City.

Indiana Seeks Crown Assets

INDIANAPOLIS, Nov. 27.—Steps are being taken in superior court here by the Indiana insurance department to obtain control of Indiana assets of the Crown Indemnity of Los Angeles, reciprocal, which is being liquidated by the California insurance department. The suit is the first to be filed under the new Indiana law giving the department such power with court premission. The complaint also named the Highway Motor Underwriters, Indiana agent for the association, as defendant. The court has issued an order instructing the state agent to show cause why such action should not be taken. The company has policy claims in the state of 60 percent of its Indiana assets.

Gives Company Reports

Because of the activity of the Gibraltar Casualty Association, Los Angeles, following its decision to voluntarily liquidate and its effort to settle outstanding claims through compromise, the California department made an examination. According to this report, "certain negotiations are in progress toward securing reinsurance. A conference is expected at an early date, and it is hoped that the results will be satisfactory."

Commissioner Carpenter reports that officials of the Coast Surety Corporation for which the department was appointed conservator Oct. 18, are endeavoring to secure additional finances.

American States Buys Office

The American States of Indianapolis has purchased a building at the outer business district of Indianapolis and has obtained a 99 year lease on the site. The home office will be moved to this structure. For several years the company has occupied about half of a three story building at North and Meridian streets.

An extra dividend of 40 cents a share has been declared by the **Hartford Steam Boiler**, double last year's extra.

AMERICAN REINSURANCE CO.

Robert C. Ream, President

99 John Street New York

DECEMBER 31st, 1934	
CAPITAL	\$1,000,000.00
Surplus (at Market Values)	2,574,975.70
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	2,690,601.13
Contingency Reserve	48,127.58
All Other Liabilities	1,110,130.89
TOTAL ASSETS	7,923,835.10
NOTE: Securities carried at \$739,222.50 in the above statement are deposited as required by law.	

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States **Insurance Specialists**

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A Progressive Surety and Casualty Company

WHEN IN NEW YORK, STOP AT THE MODERN, 24 STORY HOTEL PICCADILLY

A busy hotel . . . for busy executives . . . in the very center of busy Times Square. Insurance men have always favored the Piccadilly for its all around conveniences. Within 4 minutes WALK of "Radio City," 69 theatres, Madison Square Garden and important mid-town business offices.

Finely furnished rooms with all up-to-the-minute conveniences (including 60 watt bathroom bulbs—a great help when shaving!). Rates begin as low as . . . \$2.50

(To insure choice accommodations write for reservations:
West 45th Street, W. Stiles Koonen, Manager

BREAK IN THE C. P. & W. AGENCY

(CONTINUED FROM PAGE 31)

ever been prominent in the insurance organizations and today he stands at the very forefront of casualty general agents throughout the country.

One of the curious and interesting developments in the evolution of the C. P. & W. organization has been the awakening of salesmanship qualities in Mr. Webb that had lain dormant when he gave almost all his attention to underwriting and management. Mr. Webb in going out with Mr. Conkling and Mr. Price on their cases and talking to people, coincident with his forming contacts himself in his church, Y. M. C. A., civic and other activities gradually brought him into the creative salesmanship field and his personal business later on became greater in volume than either one of his partners. He not only maintained his prestige as the "inside man," the underwriter, the assimilator, the analyst and manager but he was a business producer as well.

As time went on, of course the C. P. & W. organization was enlarged and Mr. Webb was able to throw off many of his duties on others but he has been regarded for many years as the outstanding member of the firm in every aspect.

C. P. & W. Took on a Surety Company

As time went on and the surety business became more important, Conkling, Price & Webb became general agents of the United States Fidelity & Guaranty and then 30 years ago it took the general agency of the Fidelity & Deposit. The firm has always been very close to the companies it represents. Mr. Price some years ago was elected a director of the Fidelity & Deposit. On his retirement from that office Mr. Webb succeeded him. Their relationship with the London Guarantee has been the closest. The members of the firm have often been sought for their advice.

Mr. Price had the reputation of being a fruitful surety producer and he was paramount in this respect in getting completion bonds particularly. He was interested in the surety business and its possibilities. However, he was just as strong a producer in the casualty lines.

Fred Price Had the Courageous Mind

A few years ago Mr. Conkling retired from the firm but still keeps his desk in the office and looks after some of his personal business. Mr. Price gradually lessened his activities, spent all the winter months at Santa Monica and took life more easily. He was involved in a serious automobile accident in Utah about three years ago resulting in the amputation of part of his hand. Then after that he had a stroke or two and in later months was considerably incapacitated. However, in spite of his disability Mr. Price evinced during that time what had been one of his remarkable virtues and that was sublime courage. Nothing daunted him and with great determination he kept ahead. He visited his office every day and looked after his personal affairs as best he could.

Conkling, Price & Webb's Business Standards

The firm of Conkling, Price & Webb has taken a lofty position in the insurance business, and especially in the casualty and surety field because of the policy that its members established at the beginning and have always maintained. They have stood for substantial insurance, for conducting business along high grade lines and evolving standards of a high order. Mr. Webb has the confidence of not only his own companies but others. There is scarcely a conference between companies and general agents but what he is present. His long years of experience, his judicial attitude and great knowledge of the business both from the administrative and field standpoints have made

him a valuable participant in these conferences. The firm has never been a plunger, has never worshiped strange gods, but has always fought for orthodoxy and keeping within proper bounds.

What are the chief causes of the success of this old time general agency?

The combination of astute, reasonable men as partners and their dovetailing into each other in so remarkable way certainly has been one factor. They have had a business policy, a business ideal and they have stuck to it religiously. They have not deviated from sound practice. They have been loyal to their companies, have followed their instructions, have attempted to underwrite business themselves, have not tried to force what they knew were poor risks on their companies, have not taken into their office unorthodox companies to take substandard business or to compete with their own companies, have stood for ethical competition and in building their organization have endeavored to secure men who were capable lieutenants on whom much responsibility was placed. The firm has endeavored to build substantially and to give its customers the best possible counsel and service.

Lloyds Pact Is to Embrace Illinois

(CONTINUED FROM PAGE 20)

underwriters and not all of them are interested in the same territories or lines. Some confine themselves strictly to fire lines, others to casualty, still others to surety and some go in for multiple coverages, and not all of the original negotiators were interested in Illinois.

In addition, London Lloyds was legally entered in that state and an entirely different setup faced the conferees there as compared to the rest of the country.

Rather than hold up the pact until Illinois could be brought into line, the individual American companies and London Lloyds, anxious to avoid delay in putting it into operation and making it effective, decided to except Illinois and entered into the verbal agreement last January. It was anticipated that once a reinsurance agreement was drawn up that the Illinois situation could be cleared up and the pact made effective in that state as well. That this line of reasoning was well founded is indicated by present reports.

Protests from Illinois

American companies expected to receive protests, and did, from Illinois agents on exclusion of that state from the pact. But it was deemed wiser first to make the pact operative in the other 47 states at the earliest possible moment. Companies maintained a strict silence regarding the Illinois situation until it was certain that London Lloyds would extend the agreement to cover that state as well.

London Lloyds has also advised American companies that it will cease competing with them for surety business of American building and loan associations.

Reactometer Is Hit

The Aetna reactometer "packed them in" at the Chicago automobile show. Similar reports have been received from New York, Brooklyn, Philadelphia and other cities where this device, developed by the Aetna Casualty, was demonstrated.

H. H. Harrison, in charge of the exhibit of the division of highway safety of Illinois reports that the Aetna reactometer was "one of the big hits of the show." More than 2,000 motorists took the reaction test in one day.

The Pennsylvania Indemnity has extended its quarters in the Lefcourt building, Newark.



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(CONTINUED FROM PAGE 1)

tional Fire, and presented by him in an address before the National Convention of Insurance Commissioners at St. Louis in 1916.

Although originally a "most enthusiastic advocate of the general adoption of the contingent plan of compensation," Mr. Smith declared that as a result of years of careful study of the proposition he was convinced "the scheme, attractive as it is theoretically, is utterly impractical and fundamentally unsound."

If contingents were to be paid, he maintained, they should be based on state results, and not upon that of a single agency, while the flat and contingent should not exceed the present acquisition cost. It was a demonstrable fact, he asserted, "that irrespective of the general loss ratio in a state, a company would be compelled to pay contingents to from 80 to 85 percent of its agents in the commonwealth."

Over-All Operations

Predicting contingent upon the results of an agency as a whole, Mr. Smith asserted, "would be fantastic in the inequalities they would produce, the expense and difficulties of operation entailed and the dissatisfaction which would accrue to all concerned. The broader underwriting experience and judgment of the leading and successful companies would be subordinated, both as to lines and hazards, to those of an inexperienced country agent or to the policies of the small and unsuccessful companies, the averages upon which any permanently successful underwriting rests destroyed, and chaos reign. By such a method, too, an unsuccessful result for any one company might relieve all others in the agency from paying any contingent at all, even if none of them had had a single dollar or loss the whole year."

"If contingents were made general the fire waste as a result thereof would not be reduced to any appreciable degree," Mr. Smith held.

CONSIDER ARGUMENTS

PHILADELPHIA, Nov. 27.—The demand of the middle department agents for a contingent commission has raised a number of problems which may delay the solution of this question. It is said that one of the objections raised by the Eastern Underwriters Association to a contingent for the Pennsylvania ordinary territory is that the average agent either has not the facilities for careful underwriting or else knows very little regarding the proper selection of risks. It is pointed out that agents in the middle department are too prone to accept everything that is offered to them whereas agents in the excepted territory—Philadelphia and Pittsburgh—who receive a contingent, are proud of their careful underwriting and decline as much, or more, business than they accept.

Might Withhold Business

It is argued, too, that if a contingent were given ordinary territory agents and one of their companies had a bad "burn" which might affect their contingent for a number of years, that the agents would be apt to withhold future business from that company. On the other hand, it is pointed out, agents in the excepted territory will give their companies large lines in order to make up for a large loss.

The agents contend that Pennsylvania has had a low loss ratio for years whereas the companies have been steadily losing money in certain states such as Louisiana and Mississippi and that Pennsylvania should receive some benefit from this record. They argue that agents should receive a contingent based upon the state experience as a whole. However, not all agents are in

favor of this proposal. It is strongly opposed by many Philadelphia agents, who contend that they have watched their underwriting for years, have had abnormally low loss ratios and see no reason for risking their contingents for the sake of middle department agents.

It is more likely that the suggestion of lumping the total experience in each agent's office will receive the greater consideration. Proponents of this plan declare that it will tend toward more careful underwriting and selection of risks by the agents in that it will force them to secure a low loss ratio in order to obtain a contingent commission.

Missouri Agents Capitalize on Mutuals' Rate Increases

Some of the mutual companies have been increasing their rates in Missouri and in St. Joseph particularly some of the local agents representing stock companies, have been taking advantage of this change to make a drive for business at the regular rates. In St. Joseph advertisements have been inserted in the daily papers by agents.

The State Farm Mutual Automobile of Bloomington, Ill., has increased its rates in much of the Missouri territory and has sent out new policies to its assured calling for a new premium deposit in excess of what has been charged. The former policy covering liability in 10/20 limits and property damage in \$5,000 limits was written in St. Joseph for a down payment of \$14, consisting of a \$5 membership fee and a \$9 premium deposit. The new letter shows that the \$9 premium deposit has been fully earned and the new policy calls for a new fee of \$5 and a premium deposit of \$24 for a six months policy. This compares with an annual premium of \$48 that the companies writing class W cars are getting that write at 10 percent off manual.

The Federal Hardware Mutual Casualty of Stevens Point has increased its premiums to full manual. In the past it has been writing at from 25 percent to 35 percent off manual.

The Farmers of Los Angeles operates extensively in parts of Missouri but has not yet raised its rates.

Condition of Frank A. Post

Frank A. Post, senior associate editor of the NATIONAL UNDERWRITER and editor of the "Accident & Health Review," is making a reasonably satisfactory recovery at Passavant hospital, Chicago, from a serious abdominal operation performed last Saturday. A preliminary operation had been performed a few days previously. His friends were greatly relieved to learn that no malignancy was discovered. He will be confined to the hospital for several weeks.

Texas Regulation Upheld

Constitutionality of the law enacted at the latest session of the Texas legislature placing all insurance organizations operating in the state under supervision of the Texas Board of Insurance Commissioners was upheld by the Travis county district court, in a test case. While the great majority of the concerns that refused to observe the provisions of the act were burial organiza-

tions, there were a few small fire, and casualty institutions. All must now submit to the strict supervision of the department should they be allowed to continue in business. Already a considerable number concluded to retire from the field, being unwilling or unable to conform to departmental regulation.

Medical Fees Hearing

NEW YORK, Nov. 27.—State Industrial Commissioner Andrews will hold a hearing upon medical fees to be charged in compensation cases in this city, Dec. 6.

Federal Projects Truck Cover

The National Bureau of Casualty & Surety Underwriters has issued a bulletin regarding automobile and property damage insurance to protect the federal government against claims due to the use of cars in the service of Works Progress Administration and similar relief units. The federal authorities in the past have made an allowance of \$1 to \$2 a day in some states to vendors and truck owners for such insurance as evidence that the coverage has been obtained. However, the companies have been obliged to cancel many of these contracts for non-payment. Under the new arrangement the government recognizes the daily cost of three-quarters of 1 percent of the annual premium. This makes it easier for the vendor to settle with the company.

Pearson is Oregon Head

PORTLAND, ORE., Nov. 27.—Organization of the Casualty Association of Oregon has been completed. Walter Pearson of Bates, Livesly & Pearson, Portland, is president; M. K. Sprott, assistant manager U. S. F. & G. at Portland, vice-president, and Stuart Filler, special agent American Surety, secretary-treasurer. The executive committee includes: Wilson Schiffer, Seeley & Co.; J. S. Laird, Lamping & Co., and James Kelly, Portland manager for the Maryland Casualty. The association will hold monthly meetings.

Miscellaneous Notes

John F. Armstrong, 35, Augusta, Ga., local agent associated with his father, John L. Armstrong, died.

The Walthour-Flake Company, Little Rock, has been incorporated by J. D. Walthour, Leon Flake, T. J. Cypert.

The Casualty Adjusters Association of Southern California held its annual dinner dance.

AUTO SAFETY

Texas—The drivers' license law has been signed by Governor Allred, effective immediately, the deadline for license registration being April 1, 1936.

All motor vehicle operators must be licensed. Supervision is in the hands of the Department of Public Safety. Operators of commercial vehicles licensed by the railroad commission; persons in U. S. government service, and nonresidents over 16 licensed in their home states are exempt. Anyone operating a motor vehicle prior to April 1, 1936, may receive license with no fee or examination. Licenses will be valid for three years; licenses will be automatically suspended on final conviction for specified offenses, suspension being six months on first conviction and one year on second and subsequent.

* * *

Wisconsin—Effective Jan. 1, all accidents on highways involving \$50 or more property damage, or injury or death to any person, must be reported within 48 hours to the highway commission at Madison. Drivers are being advised of this new law and its requirements by Theodore Dammann, secretary of state, with notices for renewal of automobile license plates. Blanks to report accidents are available from police and sheriff departments, county coroners and clerks.

Automobile accidents caused 750 deaths in 1934, while in the first eight months of 1935 there were 17 more deaths than in the corresponding period last year. Local cooperation is being sought and 13 of the 71 counties in the state have formed safety committees.

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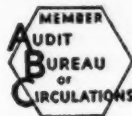
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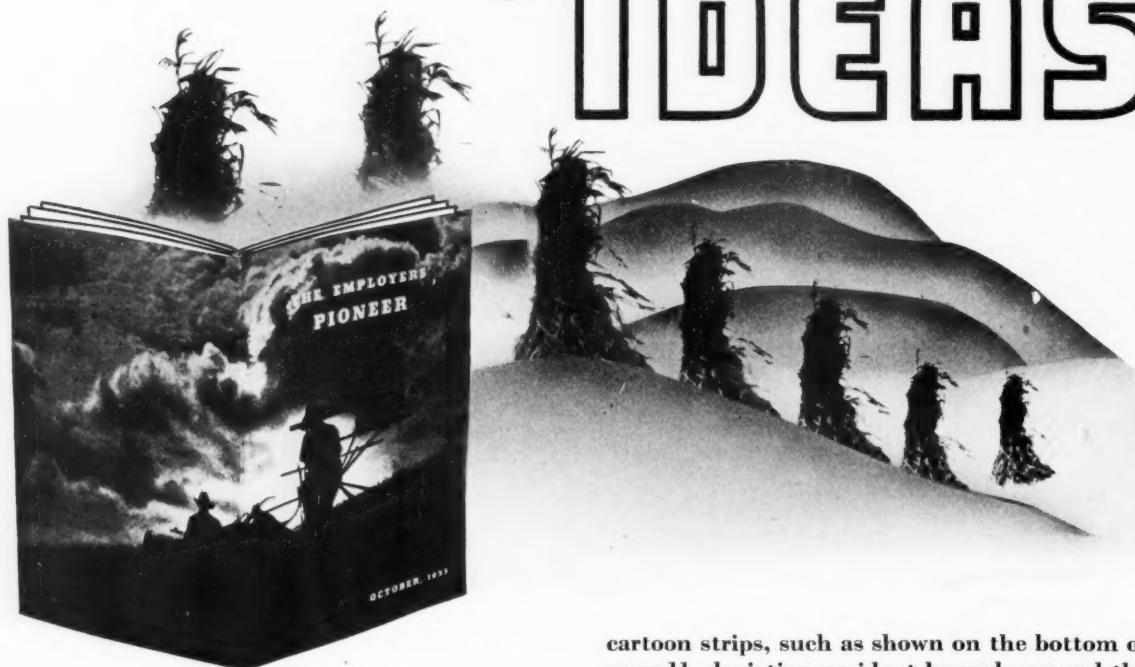
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Which one of the many ideas you will find between its covers, will be of the greatest assistance to you, is hard to say. Perhaps you're interested in fidelity and surety bonds. Articles concerning bonds required in court proceedings, probate bond underwriting and something about public official bonds are all in the October issue. Income insurance, residence liability, residence boiler and a few thoughts on fire and accident prevention may also be found in this issue. We call your particular attention to the article "Nine Old Men." It doesn't concern itself primarily with insurance, but the wise insurance man will find it helpful when discussing present day conditions with prospects or policyholders.

Note, too, the very short article at the bottom of page 7. It shows one way in which the Pioneer might prove helpful to you. And we'd like a little help from you. Do you think a series of

cartoon strips, such as shown on the bottom of page 11, depicting accident hazards around the home and elsewhere would prove effective if distributed to the general public? We would appreciate an expression of opinion from you on this subject, but of course you'll have to see the October issue first.

To get your copy, address your request to the Publicity Department, 110 Milk Street, Boston. There is no obligation on your part in making such a request.

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